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Editorial

This issue of *Aspects* is dedicated to Patrick G. Gillis who died November 20th, 1979. For those of us who had the opportunity to know and work with him, his sudden departure has left a sense of loss that cannot easily be described.

Few people will deny that Patrick Gillis was anything but an exceptional person. He was a large man with big ideas about market value reassessment in Ontario. He never lost sight of this goal and when he talked of it — whether in a small gathering or before a large audience — his enthusiasm and passion for the topic was infectious. To listen to Patrick Gillis was to believe that solutions were there, justice would triumph and property tax reform was just around the corner.

Patrick will be remembered for many reasons — his loyalty to his friends, his enormous talent and shrewdness as a political advisor, his sense of fairplay, his willingness to take a chance on new ideas and to speak up for what he believed in.

Over the years *Aspects* has published a number of interviews with our Executive Director. We have always looked on these interviews as some of the finest words we've printed. We think they set out pretty accurately what the man stood for and provide some important insights into the events of a decade.

As a final tribute to Patrick, this issue sets out the thoughts of a number of his good friends and associates. If a person's impact can be judged in anyway, these statements provide some measure of this man who made an impact on almost everyone he met.

Jeanne MacDonald White

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PATRICK GERRARD GILLIS
1927 — 1979

It is with a deep sense of loss that we note the passing of Patrick G. Gillis, Executive Director, Assessment Division on November 20, 1979.

He was born at Glace Bay, Nova Scotia. In 1950 he graduated with the degree B.A. (Economics) from St. Francis Xavier University, Nova Scotia.

Patrick began his career in 1950 with the Estates Division of Toronto General Trusts Corporation. In 1951 he joined the Greater Toronto Assessment Board and remained with them until he became an appraiser in 1954 with Warnock Hersey Engineering Company, Montreal, Quebec for a two-year period.

In 1956 Patrick joined the Assessment Branch of the Department of Municipal Affairs. On the retirement of the late Max Sloan in 1964, he became Director of the Assessment Branch, a post he held until July 1969 when he was appointed Executive Director, Assessment Division.

Pat Gillis was a unique man — outstanding in his field, a leader, a raconteur, a fine travelling companion, adept in his dealings with people and openly liked and admired by everyone. In the nearly two years I have been Minister of Revenue, I was fortunate to have had the opportunity to work so closely with Pat. I knew I could count on his support and advice at all times, but the added bonus was to have him as my friend. Many people will feel his loss keenly, not only in the Government of Ontario but across the Province — Pat indeed cast a giant shadow.
The Hon. Lorne Maeck,
Minister of Revenue.

Along with the large number of his other professional colleagues, I share in the loss of Patrick Gillis. Unlike many others, my association with him goes back only five years, to the time I joined the ministry as a new deputy. However, they were extremely active years, and I shall remember the lessons I learned working with him.

Apart from his legendary and unchallenged professional command of property assessment, Patrick always worked with great energy and enthusiasm on the practical problems of the program across Ontario. He took justifiable pride in his abilities and accomplishments. He also had the civilized qualities of wit and humour!
T.M. Russell,
Deputy Minister.

Patrick Gillis was a friend of mine for 29 years. In those years I respected his knowledge in not only assessment matters but in all related fields and I admired him for his warm and compassionate way in dealing with people. His dedication to the government's aims should be a lesson to us all.
W.J. Lettner,
Assistant Deputy Minister,
Property Assessment.

When I first heard of Pat's death, my emotions ran from confusion, disbelief to shock.

Our Society attempts to deny death; this is why most of us are not equipped to handle the loss of an important person. I was not prepared to deal with the passing of Patrick in his prime of life. His sudden, unexpected demise was a tragic forfeiture and felt deeply by all of his many friends and co-workers who trusted and admired him. Some 25 years ago, Patrick and I met while he was working as a fieldman with the Greater Toronto Assessment Board and I as an assessor for the Township of York.

With the unripened knowledge of young men, little did we know our paths would cross as the passing of time was to reveal our destinies.

His enormous stature was to be overshadowed by his quiet, commanding dominance in our profession.

In my recollections of the many times that we were together, all over our Province of Ontario and this Continent, I cannot bring to mind any instance where Patrick raised his voice in anger or malice. His kind words were brief, but they echo endlessly in my mind.

In the days when we travelled for the Government, it was sometimes a challenge to fill all the long hours away from home, but in Patrick's case, his keen interest in sports allowed us to analyse the previous night's sports event. We would thrash out the tactics and strategy of coaches, admire the prowess of the athletes and, of course, question the officiating.

To this day I am fondly astounded at Patrick's production of appraisal spot checks on those days when the World Series was being played that afternoon.

The time came when the Province decided that better techniques were necessary for assessment in Ontario, and we embarked upon a training program for the then Department of Municipal Affairs Assessment staff. I recall a particular arduous training period when enthusiasm was more prominent than logic when I heard a large but quiet "Donald" emanate from our friend behind me in the classroom. Even then Patrick had a strong, guiding influence on me.

In 1965 our careers separated as Patrick became the Director of the Assessment Branch and I returned to Municipal Assessment. We were to meet only at the Assessment Conventions and the occasional function that our children were participating in. At one minor hockey tournament in Mississauga, I recall him explaining to some aspiring young hockey players that while it is sometimes painful being taught, you must always be ready to learn.

The last time we had a chance to talk to one another was at a meeting for Assessment Commissioners the week before November 20th, 1979 where he asked me to sit with him during dinner. It was a pleasant reminiscent time and soon you could see the old Patrick as the pressures of administration were temporarily pushed aside and the quiet sparkle returned to his eyes. I shall always be grateful for these few moments.

As I ponder the past, I am constantly reminded of his boundless tact and retiring congenial nature. The thought that I cannot shed is: what you are is important, what some think you are really doesn't matter.
Don Wright, Regional Assessment Commissioner,
Brant-Haldimand-Norfolk.

I was shocked to hear the sad news of the sudden death of Pat Gillis. It is hard to realize that it has actually happened, as I have known Pat for over twenty-seven years.

I have known Pat Gillis, first, when he was with the Greater Toronto Assessment Board and later with the Department of Municipal Affairs Assessment Branch. I have had the occasion to travel with him in the assessment of Government and Hydro properties through Northern and Eastern Ontario especially. I was fortunate to have with me Pat Gillis, Reg Bailey, Bob Greeley, and Vick Fernandes. They were four bright young men and perhaps I have appreciated Pat Gillis for his

way of looking at life, always full of joy and with such a kind disposition.

I have learned to like him, to work with him and I might have been responsible for some of the assessment knowledge that he acquired. I also have learned to appreciate Pat as an individual, and I might say that one of my sons was named Pat because of the high opinion that I had of Pat Gillis.

It is very shocking news to hear of his death at such an early age, when there was so much ahead of him, so much that he proposed to achieve. However, these are things that we cannot understand as the Lord is looking at things from above, which is beyond the human point of view.

Pat Gillis will be long remembered for his contribution to assessment in the Province of Ontario and the best tribute that can be paid to Pat Gillis is for the existing assessors throughout the Province to carry on good assessments, putting in practice what Pat Gillis has been preaching, so as to arrive at high assessment standards throughout the Province.

Paul E. Mantha,
P.E. Mantha Appraisal Inc.

Pat Gillis was remarkable both in what he accomplished and in the kind of person he was. More than any other individual he was responsible for the revamping of Ontario's municipal assessment system and for bringing it into the modern age. Civil servants' achievements are seldom observable by the public and that is no doubt true in this case as in others, but Pat in fact affected in a beneficial way almost every citizen and certainly every municipality in the Province of Ontario in his years of leadership in this undertaking. The man was perfect for the job because the job required dogged determination, a thick skin, manifest honesty, intelligence and openness, an ability to get the best out of people, a high sense of purpose and an equally well developed sense of honesty. This big blunt, warmhearted Cape Bretoner won the admiration and affection of all of us who worked with him and we grieve not only on our own behalf but for his family as well. He left a lasting mark on the people who knew him and the Province he served.

W. Darcy McKeough,
Former Minister of Municipal Affairs, and
Treasurer of Ontario.

This is written while I am still absorbing the impact of his death so I hesitate to call it a tribute or even a memorial. It is simply a reaction.

I worked with Pat and to a certain extent with him, for sixteen years and the idea that he is no longer here for discussion or advice on decisions is incredible to me. It just does not make sense.

When I met him for the first time, I was a junior official in the Municipal Administration Branch of the former Department of Municipal Affairs. My principal activity was literally to add up columns of figures in order to check what someone else had added, knowing full well that they would be checked again. He suggested that I might be more productive helping him work on an assessment manual — whatever that was. I never did find out how he became aware that I might be available or what possessed him to ask me.

In any event within a matter of days I had become imbued with his enthusiasm for assessment. He had convinced me that the most beneficial thing the Province could do for municipalities and taxpayers was support market value assessment. I believe it was Pat's commitment to market value that was central to the operations of the Municipal Assessment Branch of the Department of Municipal Affairs and the Assessment Division in the Ministry of Revenue. Property tax reform was a necessary adjunct, and became increasingly so throughout the 70's, but market value was the key.

His personality, his experience and his phenomenal ability to provide the right fact at the right time made him a dominant figure in the property tax reform program.

From the meetings in 1963 with the Institute of Municipal Assessors to revise their correspondence course to sessions with Intergovernmental Affairs and Treasury over the impact of the 1979 equalization factors, his was a definitive voice. No decision was made without the benefit of his views and very few were made in opposition to them.

Like most of us Pat had a number of favorite turns of phrase and mannerisms. I suppose it is only as situations arise where they are appropriate but aren't forthcoming that the full impact will hit me.

A.N. MacKay,
Director,
Assessment Standards Branch.

I first met Pat Gillis in 1951 when I was employed by the Greater Toronto Assessment Board. Pat had been "on the job" as it were, a short while and I was fortunate enough to be paired with him when I commenced my duties with the Board.

To meet Pat was to like him; to know him was to admire him; and to work with him was to respect him.

Regardless of pressure, deadlines, incompetence of others, Pat was never one to become rattled or annoyed. He had a natural ability to grasp and dissect any problem, and leave one wondering why one did not see the obvious answer.

Even in those days (as later) Pat was willing to listen, solve and lend a hand.

In adversity, Pat would say, "Gerard, these things are sent to try us!"

G.J. Walsh,
Regional Assessment Commissioner,
Renfrew

Pat's passing has left a deep void in the hearts of many of us. As founder and participant, he has contributed greatly to the objectives and aims of the Provincial Assessment Directors. As a tireless worker, he has provided goals and direction to the

assessment profession. As a friend and confidant, we have benefited from his knowledge and sage advice.

To his family, his friends and acquaintances, may I express my sincere sympathy.

Elmer A. Cronk,
Director of Assessment,
Province of New Brunswick.

Over the years, Patrick Gillis made many friends, not only in the Ministry of Revenue, but also in every other area in which he was involved. To me, there is something particularly sad about the loss of a man possessed of a spirit of such generosity and great integrity. He was internationally respected for his intelligence, sound judgement, and dedication to his work.

When I first met Pat, I had just been appointed Minister of Revenue. He made me feel both welcome and comfortable in an area where uncertainty often dominates. I was impressed with the excellent rapport he had with his staff, and I learned at first hand the fine appreciation and esteem with which he was viewed by municipal officials all over the Province.

Working with Pat was a pleasure. He had a very direct approach in his analysis of problems. This, coupled with a creative turn-of-mind and a tremendous capacity for work, made him an outstanding individual — one who would be successful in any chosen field of endeavour.

I can recall one instance when a "special" problem required a Ministerial response within a very short time-frame. Pat and his team worked long hours through a weekend and then overnight, in order to meet the morning deadline. Red-eyed from lack of sleep, (and he must have been very tired), he ate breakfast and went to the briefing session where he exhibited a magnificent "coolth".

For all his accomplishments, Pat maintained a personal modesty and sincerity. He was the epitome of the public servant. Efficient and loyal, he served with a sense of duty that brought lasting credit to this Government and the people of Ontario as a whole.

Pat Gillis will long be remembered for his warmth and friendliness and his great professionalism by his many friends.

Margaret Scrivener,
Former Minister of Revenue.

I first met Pat Gillis in 1951 when we worked for the Greater Toronto Assessment Board — G.T.A.B. as assessors measuring buildings in the former Village of Swansea, prior to its becoming part of Metro Toronto.

From the mid 1950's to mid 1960's we were fellow employees with the Department of Municipal Affairs, Assessment Branch of which he became Director.

For the last couple of years I had been working more closely with him in his capacity as the Executive Director, Assessment Branch, Ministry of Revenue on a project which he took a special interest in "The Standard Assessment System, S.A.S. 78". In renewing our relationship which had been one of nearly thirty years, I found he still remained the same Pat, the fellow assessor and good friend.

Be a life long or short, its completeness depends on what it was lived for.

W.S. Jackson,
Area Co-ordinator,
Field Operations Branch.

It was during the era of the Greater Toronto Assessment Board that I first met Pat Gillis. For those who may be unfamiliar, this Board was set up in 1950 through '53 to reassess the twelve area municipalities around the City of Toronto. All were to be brought approximately to the same level of assessment values as the city itself.

At that time Pat was a young Easterner of 22 years. It soon became evident that he possessed certain qualifications befitting the task at hand. After the work was completed, the next step was holding open sessions in the various areas, chiefly to acquaint the public with what was being done and to explain to individual ratepayers the details of their respective assessed valuations. It was here that Pat's abilities revealed themselves and all for a constructive cause.

While many of the 150 personnel working for the project were no longer needed in the ensuing months of 1954, Pat was chief among those retained to attend courts of revision and courts of appeal to support the assessments as made. He continued to work in the same capacity when next employed by the Warnock Company, an engineering firm with assessments in courts anywhere in Canada. In 1956, he returned to the then Department of Municipal Affairs, Assessment Branch, after having gained considerable experience with the private firm. His capabilities and experience by now well-proved, he joined a committee dealing with special assessments — principally mining properties, throughout Ontario. Much was accomplished by the work of this special group in bringing about equitable assessment of mines in the municipalities.

Before the task of this committee was completed however, the Department's plan to decentralize the headquarter's office and provide for seven regional offices was underway. It was logical that Pat should be appointed to head the Sudbury office since the area covered had a large concentration of mining property and with it, more acute problems. He successfully managed the office for approximately five years.

He was then brought back to the Toronto office to act as liaison officer for the Department with the municipalities in northern areas. By this time, the assessment of mines was deeply involved with equalization, necessary to equitably distribute the costs of district high schools, hospitals, and Homes for the Aged. Assessment work in the northern area and indeed, the northern area of the province itself grew very dear to Pat during those years. Being the humanitarian that he was, he strove persistently in order that the interests of

the "small man" would not be overlooked during the formidable years as these municipalities grew out of northern hinterland.

In 1964, he was appointed Director of the Assessment Branch of the Department, succeeding Maxwell R. Sloan who had just retired.

One of Pat's notable early accomplishments as Director was his success in persuading the Minister and the Government caucus to set up a committee to revise and re-write *The Assessment Act*. This was done under the chairmanship of Mr. Horace Krever, now a Supreme Court Judge. The report was accepted and passed by the Legislature to become effective in 1968-69.

This was the first complete re-write of *The Assessment Act* since the James MacLennan Report of 1902. Much could be said of other accomplishments but probably it is enough to say that anyone in the position held by Pat should necessarily be an individual unwaving in his attempts to improve the cause of equity in taxation, however often such a person is repelled by Government for the cause of political reason. Pat was that type of individual and in the short span of his years his accomplishments were many.

T. Reg Hunter,
Assessment Supervisor (Retired),
Assessment Division.

Mr. Chairman, we were very shocked to hear of Mr. Gillis' death. In my case I believe it was yesterday I heard about it.

He really was an extremely useful public servant. I remember just a few months ago when it was decided that certain townships were going to have the benefit of a section 86 reassessment he undertook, I am sure with the minister's concurrence, to be sure the members involved were fully instructed as to its ramifications. I really appreciated that at the time and I felt he approached the job not only with a very broad base of knowledge — probably broader than anybody else in the province — but also with a very good spirit to assist those perhaps less knowledgeable than himself, but obviously with very good humour and with the very best attitude of co-operation.

It's a very sad thing indeed that he has died at such an early age. Not only will we be deprived of his advice and assistance, but we have lost a very good man.

Robert F. Nixon, M.P.P.,
Brant-Oxford-Norfolk.

During my 30 year acquaintance with Pat I was consistently impressed with his down-to-earth personal approach to both employees and assessment issues. Pat always felt that a personal visit to municipal officials could be infinitely more productive than the written work and he practised this philosophy to the fullest. In the same vein, Pat always seemed to have time for fellow workers and handled their problems with, I think, a very human and understanding approach. Unquestionably, I'm going to miss him. With all deference to his ultimate successor, Pat will always be to me Mr. Assessment. To a large extent he defined the general direction of Assessment in Ontario and shaped, in a very important way, the Assessment Division as we know it today.

Don Willis,
Manager, Policy Section,
Assessment Divison.

Pat Gillis, Executive Director of the Assessment Division of the Ministry of Revenue was a warmhearted individual intent upon giving his very best in service to the public. Yes, he was interested and determined to establish an efficient administration within his branch but his greater concern was to provide a readily available service to the property owners of the province relative to assessment and its relation to property taxation.

Changes in The Assessment Act were responsible for increased tax bills in some instances. This disturbed property owners, many of whom did not understand the reasons for the change. Their first reaction was to object, which many of them did, to the head of the Assessment Division.

The door of Pat's office was always open. He was willing and anxious to discuss the concerns of the property owners in great detail. He recognized the value of communication in creating an understanding and was tireless in his efforts to explain that change was required in order to achieve fairness and justice in assessment.

Pat's task was a difficult one, however some who were acquainted with his effort give him great credit for his accomplishment. They are of the opinion that his fairness, so readily apparent, his modesty, his sincerity and a desire to see the point of view of others plus his faith in and practice of the Golden Rule were beneficial to the success his program has achieved.

If Public Servants are looked upon as bureaucrats, Pat Gillis was the exception; he loved and respected his fellow men and served far beyond the call of Duty.

James N. Allan,
Former Treasurer of Ontario.

Mr. P.G. Gillis made a lasting contribution to property assessment in Ontario, due to his steadfast insistence, to see that assessments were done on a uniform basis.

Carl J. Madgett,
Area Administrator (Retired),
Field Operations Branch.

One of the first people I ever heard of when I came on the political scene in 1967 was one Pat Gillis, Director of the Municipal Assessment Branch of the old Department of Municipal

Affairs. Those were the bad old days when the municipalities were "doing their own thing" under the attempted supervision of his branch and, by and large, getting away with it. Pat had the difficult and totally unenvied task of keeping the local assessors in line while they in turn (at least some of them) considered it their mandate to 'con' Pat's branch into believing that their local municipalities (by whom they were employed) were poorer than all the others and were therefore entitled to larger provincial equalization payments. Pat and his colleagues used to have to work very hard to stay one jump ahead of the municipal assessors, but he always had time (or made it) to spend listening to the problems of a private M.P.P.

Later on in my career, when I joined the newly created Ministry of Treasury, Economics and Intergovernmental Affairs, I encountered Pat Gillis in a somewhat different role. Municipal Affairs was being split up, with the Assessment branch, under Pat, moving to the Ministry of Revenue, but the remainder coming over to Treasury and Economics where I was serving as Parliamentary Assistant to the Treasurer. One of my very first assignments was the preparation of *The Municipal Elections Act,* an act which depends very heavily on the role of the assessor for purposes of enumeration; and I found myself dealing with Pat and his staff on a daily basis. The resultant input from that end made my task much easier and doubtless served to produce a bill which has stood the test of several elections now without showing serious faults at least from the aspect of enumeration and preparation of the voters' list.

Of course, later on when I joined the Ministry of Revenue in 1974, I came to know Pat Gillis even better, and a more competent, dedicated and articulate advisor it would be hard to find. I well remember how, when dealing with the Estimates of the Assessment Division of the Ministry, Pat would pass me notes suggesting precise answers to questions asked by opposition members when otherwise I had no idea what the right response should be. I used to think it quite remarkable that he seemed to come up with the right answers from my standpoint without enraging the opposition — perhaps they too realized that he knew whereof he spoke and that they were getting the unvarnished facts.

Another of Pat's many accomplishments was his resolution of the Condominium Assessment difficulty which blossomed in the summer of 1975. I recall his telephoning me on the matter and outlining a very simple amendment which could be made to *The Assessment Act* to overcome the patent inequity that was developing. The House was prorogued at that time, but within a day or two of reconvening that fall, I was able, thanks to Pat, to introduce an amending Bill (Bill 8), and shortly thereafter got rid of over 30,000 pending assessment appeals that had been hung up in the courts.

Pat Gillis was dedicated to the ultimate achievement of universal Market Value Assessment across Ontario. It is regrettable that he has left us with this goal not yet achieved. However, he did live to see the beginnings of a substantial shift in that direction with the extensive application of Section 86 reassessments and this must have been very satisfying to him.

In all my encounters with Pat, he was there when I needed him and he always came through "in spades". His dedication and enthusiasm were infectious and an inspiration to us all.

It is a fact of life that a measure of one's achievement and stature on this earth is the degree to which one is missed when he departs. — And Patrick Gillis will be sorely missed.

Arthur K. Meen, Q.C.,
Former Minister of Revenue.

This is, I suppose, the most difficult assignment I have ever been asked to do in my 27 years with the Assessment Division, yet at the same time, it is a very special privilege to write a few words about Patrick G. Gillis.

The tributes to Mr. Gillis' abilities and accomplishments I will leave to his contemporaries and colleagues who, I am sure, appreciated to the fullest a man with a razor keen mind, a photographic memory and instant recall (even to remembering the exact date of a letter 5 years ago); a man whose knowledge and abilities, not only in his own field but of the whole ministry and, indeed, all levels of government was outstanding.

This is rather about a man of unfailing courtesy and consideration. He worked diligently and always with the interests of his employees at heart, to get them the best equipment, working conditions and salary that he could provide for them. A man who, to my certain knowledge, never bore a grudge or resentment and had a kind word of greeting for everyone.

I, perhaps better than anyone, know of the countless telephone calls from people of every walk of life asking for "just a few minutes of his time"; "I have a problem"; "I know Pat has the answer for this"; "if Mr. Gillis could just spare a minute or two of his time"; "I need some advice"; . . . . and everyone from the executive to the mail clerk got the same time and consideration.

His "Good morning, Miss 'D' — late again I see", as he passed my desk (he never mentioned it if I was really late), or his telephone call "Hello, Miss Division, what's new?" to his "Let's pack it in and get out of here . . . . Goodnight Cheri, see you in the morning". Patrick Gerrard Gillis — A GIANT among men.

See you, in the morning, Patrick.

Lorraine Dawson,
Secretary to the Executive Director.

Mr. Chairman, I can recall some 10 years ago — the minister probably isn't aware of this — I spent a summer working in assessment for the Ministry of Revenue in Sudbury after the province had taken over assessment from municipalities. In those days, as now, when anyone talked about property tax or property tax reform, with all due respect, they never mentioned the names of Terry

Russell or Lorne Maeck or any other officials; it was always Pat Gillis.

He was always very helpful. In particular, I can recall the enormous amount of work he did in trying to sort out mining taxes and how mining companies should pay taxes to the municipalities and to the province and so forth. Just the other night I was down at the Ontario mining association function at the Royal York hotel and it had just been announced that Mr. Gillis had died. Several people from the mining industry expressed very great sadness because he had been extremely helpful and very constructive in attempting to sort some order out of that whole question of property taxes that should be paid by mining installations. So it's not any one particular section of Ontario that will miss Mr. Gillis but a great many people in the province.

Floyd Laughren, M.P.P., Nickel Belt.

It seems almost trite to state that for the past ten years and before, Pat Gillis, was the dominant figure in Assessment.

Almost single-handedly he convinced municipal councils and the Civil Service Commission of the technical and administrative skills inherent in assessment. As a consequence of this recognition of the assessor as a skilled technician and manager, salaries and status, not only within the Provincial Civil Service but also the municipal structure, were substantially improved. We all owe him much in the most tangible sense.

For many of us, we are greatly fortunate in having worked with this incisive, witty and gentle man.

E.R. Bailey,
Area Administrator,
Field Operations Branch.

In my 31 years with the Government of Ontario I have never known a person like Pat Gillis. He had an unequalled dedication to his chosen job. His main objective was to see Market Value Asessment a reality in the Province of Ontario, and he worked unceasingly to that end.

Pat was a compassionate man who cared for each one of his employees. He was a terrific boss, but much more than that — to me he was a great friend.

Al Sutherland,
Liaison Officer,
Executive Director's Office.

I worked with Pat for three years, from 1972 to 1975 when I was Deputy Minister of Revenue. As a new deputy minister, I found Pat to be both a great help and a challenge. His encyclopedic knowledge of assessment matters was invaluable to me and greatly aided me in dealing with the assessment problems facing the ministry at that time. On the other hand, Pat was very much in charge of his program and was not at all eager to have a neophyte deputy minister interfering with the workings of his organization. This was the challenge, to convince Pat that he could entrust some of the decisions on assessment matters to me.

This reference to Pat's proprietary attitude towards his division is not made as a criticism, but rather to draw attention to the concern he had for the assessment program. His dedication to his work and the results he achieved through his own efforts and through his staff are not, in my opinion, sufficiently appreciated. I would like to comment on some of Pat's achievements that occurred during my short association with him.

In 1970, Pat undertook the very difficult job of reorganizing assessment procedures in Ontario. This involved incorporating municipal assessment staff into the provincial government and bringing all municipal assessments up to market value. When I first encountered Pat in 1972, the provincial take-over of assessment was only in its third year and there were many growing pains still being experienced. Pat had the unenviable task of sorting out the various municipal assessors and allocating them to positions in the new provincial organization that were commensurate with their skills. Unfortunately, it was not always possible to provide the former municipal assessors with positions having the same stature as they had enjoyed in their municipal roles. I doubt if many people in government really appreciated how difficult and personally demanding it was for Pat to make the many decisions about staff required in setting up the new division. I know Pat felt deeply about it and on more than one occasion made the remark to me that he hoped his next job would not require him to make so many decisions affecting the careers and ambitions of others, particularly, when it was necessary to disappoint a number of these people. The fact that the Assessment Division was brought to life and turned into an efficient and professional unit is testimony to the effectiveness with which Pat made these difficult decisions.

In a related area mention should be made of Pat's concern for the training and status of the assessors on his staff. Here again, he was required to bring about a transition. In this case, the change was from a paternalistic approach to one that encouraged the assessors to take hold of their own organization and to begin to function as professional people. This was not an easy task for it required a workable balance between his need to direct and control the activities of his staff with their desire to establish and promote independent rules of conduct and procedure. I believe that much of what has been accomplished in this area is a reflection of Pat's efforts and guidance.

Another aspect of Pat's work that I believe has been under-valued and is little known outside of the Assessment Division, is the work he did personally and through his staff to maintain a good working relationship with the municipalities. During the time that I was in Revenue, Pat was very concerned that the re-organization of government ministries with the resultant demise of the Department of Municipal Affairs, had resulted in a very undesirable deterioration in the communications between the provincial

government and the municipalities. I know he devoted a considerable amount of his efforts toward re-establishing and maintaining contact with municipal officials, particularly in the smaller municipalities.

I always thought it ironic and unfair, in view of Pat's very real concern and efforts on their behalf that one of his programs received so much criticism from municipal officials. I refer to the municipal enumeration program and the resulting voters' list. Pat was asked on relatively short notice to produce an enumeration system and voters' list. He was equal to the task and with great support from his staff, he was able to carry out the first enumeration and produce the voters' list on schedule. Unfortunately, more public comment was directed at the inevitable errors in the information than to the significance of the achievement. Their value was further demonstrated, as were Pat's abilities, when he subsequently directed the use of these lists in the computer production of jury lists and notices.

Pat's competence in his job was probably a major contributing factor to the frustration of one of his fond hopes. That was his desire to move on to another job with new and different challenges. Unfortunately for him, the difficulties encountered in getting the new assessment system in place was a strong argument to keep Pat there to see the job through. I am sure that one of his great disappointments was that the new system was not brought into operation province-wide.

In a time when the management philosophy of government seems to dictate a frequent rotation of senior staff, Pat was a constant reminder of the value of having a senior manager in charge of a complex program over an extended period of time. His value was well known within the ministry and in some other parts of government. The memorial issue of "Aspects" will, I hope, make his contribution to the people of Ontario better known. We will all miss him.

D.A. Crosbie,
Former Deputy Minister,
Ministry of Revenue.

Pat Gillis was a friend to the Assessor and was responsible for the many improvements that the profession enjoys today. Salaries, working conditions, job interest and fulfillment. It was his style that if a job had to be done, use common sense and go get the work done and enjoy the effort and take pride in the results.

Pat was the architect of the District Assessor system and the setting up of a Data Processing Centre that not only served Northern Ontario but many County Assessment Commissioners.

Pat's service to the Province of Ontario goes back many years and he was well known in Northern Ontario having served as a Supervisor of Mining Municipalities under the Department of Municipal Affairs. His job was a difficult one and we are well aware of the roadblocks that were constantly placed in his way preventing the completion of many programmes and projects that he so sincerely wanted to complete. Pat is not with us now but in his memory I think it would be fitting for all of us to make a resolve to go forward and complete the work that was so much a part of his life. Let us renew that challenge of Professionalism.

Gordon J. Ogilvie,
Regional Assessment Commissioner,
Frontenac-Lennox-Addington.

It was a sense of shock and loss that I experienced when I heard of the sudden death of Pat Gillis. I was fortunate to have had the opportunity of working with Pat over a period of many years during which I became aware of his many fine qualities. Apart from his professional qualifications in which he had few peers, Pat was dedicated to "doing the right thing" regardless of popularity. He was a person I was proud to call my friend.

I know that all his colleagues, past and present, share a deep sense of loss and regret and offer sincere condolences to Helen and his family.

We shall miss him but through his colleagues he will influence the field of assessment in Ontario for many years to come. The people of Ontario have lost a valued and esteemed member of the Public Service force.

W.H. Palmer,
Former Deputy Minister,
Ministry of Municipal Affairs, and
Chairman, Ontario Municipal Board.

I would just like to make a few brief comments as well. Mr. Gillis was not only a very capable civil servant but was one who provided a very definite and distinct amount of leadership on what's happened in property tax movement in Ontario in the last 15 years or so.

My personal association with Mr. Gillis, both as a civil servant, since I have been here, and as my boss in my former employment created for me a great deal of respect for the man. His loss to this province and to this Legislature and to the Ministry of Revenue I think will be felt in a very significant way.

Brian Charlton, M.P.P.,
Hamilton Mountain.

It was with a profound sense of shock that I learned of Pat's untimely passing. I had the pleasure of working with him for a considerable period of time. As a member of Treasury Board and later Management Board of Cabinet, and particularly as Minister of Revenue, I had occasion to benefit from Pat's great store of knowledge and abilities as an administrator. In the latter position, being in almost daily contact with him, I was always impressed by his grasp of the many complex problems inherent in his duties, and the manner in which he carried out his responsibilities.

I had a particular respect for Pat, not only as an administrator, but as a human being. I found that

when working under the greatest of pressure, he would not only assign himself to the tasks at hand, but his calm and reasoned manner always made me feel that he welcomed the challenges and accepted them with enthusiasm, carrying out his duties with a quiet dignity which made it so much easier to cope in the turmoil and stress of government at its most crucial levels.

He will, of course, be missed mostly by his immediate family, but his contemporaries and colleagues in government will also feel the loss — and the public, without knowing it, will also share in that loss because Pat Gillis was an example of the finest in the public service — one who made a great contribution to the good will of this province, and in the very best tradition of the service.

I shall personally miss him very much, and extend to his family my most sincere sympathy and my expression of admiration and respect for the memory of this fine man.

Allan Grossman
Former Minister of Municipal Affairs.

Members of the Assessment Branch, Department of Municipal Affairs, at a meeting in Sudbury, Ontario in 1959.
L-R George Johnston, Donald E. Willis, Gordon J. Ogilvie (Assessor, Town of Timmins), Gerard J. Walsh, T. Reginald Hunter, Patrick G. Gillis, Rupert Parker, Wayne Gow.

Photo: Courtesy T. R. Hunter.

Equalization — How the

Factors Affect Municipalities

P.G. Gillis,
Executive Director,
Assessment Division.

Speech Delivered at the Annual Conference of the *Association of Municipalities of Ontario,* Toronto on August 21, 1979.

I am sure all of you are aware of what an equalization factor is and to some extent how it is used. Equalization factors were first used to apportion school grants in the early 1950's. At that time school grants were paid on the basis of $20,000 per classroom, and all schools received this money with adjustments for pupils in attendance and some other considerations.

It was felt that this was not an appropriate way of providing funds to school boards because the needs of each board differed depending on its location. At that time, of course, school boards were pretty small. They were usually part of a township and under the best of conditions, they included the total township. Factors were developed that measured the relative worth of the tax base which supported each school. Schedules were developed so that grants to the school boards were based on the richness in the tax base. Generally speaking, the poorer boards were those primarily supported by farmers and residential taxpayers. These boards received a greater share of grants to compensate for their lack of commercial and industrial assessment.

In 1965, the Province moved from a manual measurement of the relative worth of the school base, to factors developed on market value — market value of the day — 1965 market value compared to the individual assessments that made up the base. This meant quite a departure from the earlier procedure, and indeed there were phasing-in procedures developed primarily by the Department of Education as it was known at that time. Indeed, up to the present day the factors as published by the Ministry of Revenue on an annual basis have not been used by the Ministry of Education to apportion education grants. Education grant formulas take account of other considerations so the full impact of the published factors have never been reflected in education grants.

When the Province took over assessment in 1970, the use of the factors by appellants in assesment appeal cases commenced at about the same time. In Ottawa Minto Construction challenged the assessment on a large number of apartment buildings and the courts determined that, indeed, the percentage of market value reflected in the factor ought to be applied against the market value of those apartment buildings to determine the assessed value for tax purposes. In the Township of Nepean that meant a tax loss on apartments of about $750,000.

It was quickly realized that this decision could become the basis for all further appeals of apartment buildings, high-rise office buildings, commercial and industrial properties which in many municipalities were assessed by design at a higher ratio to market value than were houses. Such an adjustment by the courts would result in substantial tax shifts to single-family homes. To avoid this, the Province froze both the assessments and the factors until market value assessments could be completed and tax policy determined. Unfortunately, as you are also all aware,

market values have been completed at least twice, but tax policy has not been formalized so that market value is not generally in place in the Province as the measurement for municipal taxes.

The factors remained frozen until this year. As part of the trade-off to opposition parties and others representing municipalities that felt they were losers in this scheme of things, the Government unfroze the factors and on July 14th of this year, published a new set of factors. These factors are nine years newer than the old ones and are based on 1978 market value. Any municipality examining its old factor against the new one should remember two major points: First, that comparison cannot be made realistically unless you have compensated for the fact that the Ministry of Education did not use the old factors as published. For this reason, you do not get a true picture by measuring the 1969 factor as published in 1970 against the 1978 factor as published in 1979. On the one hand, you would be using the 1978 factor as published; on the other hand you would be using the 1969 factor that was published but subject to alteration based on the school grant formula. If your school board has prepared a reaction to the new factors, before you accept it, be certain that they have made an adjustment for the fact that the published 1969 factor was not the basis for the payment of grants and school apportionments. It is an error to assume that the 1978 factor will be used without adjustments. For all municipalities who have seen mock-ups comparing old and new factors by the school boards, you should view this information with caution.

There is a second important point to consider. When the Minister of Revenue, Mr. Maeck, released the factors he also sent a press release to the heads of all councils. That press release explained the factors to some extent but more important, it specified some conditions as to their use.

First of all, no municipality would receive less in grants in 1980 than it did in 1979 as a result of the use of the factors. If a school board of a municipality received a certain sum in grants in 1979 and indeed the use of the new factor indicates the amount was excessive, it would at least get the same numbers of dollars as a result of the use of the factor.

More importantly for municipalities, he also stated that the impact of apportionments would be phased-in. That means simply that as a result of using the new factors in the apportionments procedure for county, regional or school purposes, some municipalities will experience a sharp increase in their levy. In such cases, the impact of that increase will be reduced by government intervention. The Minister also stated in his press release that the fiscal impact of the new factors on municipalities is the subject of study currently underway in the Ministries of Revenue, Intergovernmental Affairs, Treasury, and Education and that it will be some time in early fall before the facts and results will be made known. But he did in the newsrelease wish to assure the councils of all municipalities that immediate reaction to the new factors as published would be premature because there will be government intervention.

Now that I have generally explained a brief history of the use of the factors, I would like to spend the remaining couple of minutes telling you how they were developed.

Generally speaking, the new factors are based on a comparison of your taxable assessments with the sale price of sample properties — the sale prices being adjusted to accommodate chattels that might be transferred as a result of the sale, as for example, a summer cottage or other types of properties. Another consideration is that all sales must be at arms-length, meaning that they are not between father and son or there are no other blemishes or considerations in the sales.

The minimum sample of valid sales taken in any municipality is ten percent of the properties. That means if there are not sufficient sales, then appraisals must be made and the appraised values are compared with your local taxable assessments. The larger the sample the more accurate the result and that is why we determined to use the minimum of ten percent. You will recall that our regional assessment offices have set up meetings to explain our procedure for developing the factors to all municipal officials. While these first meetings brought you together in groups, you were told that subsequent meetings would be held on an individual basis if you wish further details with respect to your individual factors. And those of you who are interested can go to our regional offices and find out what samples were used, get copies of those samples, examine them and do whatever you like with them. If for some reason, you asked for and have not received this information, then clearly you should go back to a regional assessment commissioner because he is instructed to give it to you. You are entitled to all of the information with respect to your individual municipality and you can get copies of the worksheets if you wish to do so.

I think the most important point I can make is to reiterate the fact that it is premature to make comparisons as to fiscal impact at the moment. I have pointed out several reasons for this. I want to stress again that no one will lose grant dollars as a result of the use of the factors, and second, we are fully aware that some municipalities are losers and some are gainers in this exercise. The impact on the losers will be reduced to some extent by the government to make sure that ratepayers in any particular municipality do not experience doubling or tripling or going up by a half-again of their tax bills. This will happen whether those tax bills happen to be fair at the moment or not or whether they happen to be large or small.

I think perhaps the one final thing I would like to say to you is that while these deliberations are presently taking place by the four ministries I mentioned, Revenue, Intergovernmental Affairs, Treasury and Education, I would invite you to get together here or through your organization or whatever and develop alternatives. This means that when you are responding to whatever decisions are made, you should have viable alternatives to offer; if you are not happy with the proposed solutions. In the long run, we are all interested in solutions that are fair and equitable.

Thank you very much. I will be around to answer questions if you have some.

□

A Boost to Small Business

Ontario Budgets Encouragement to Private Investment

As part of his budget speech of April, 1979, Treasurer Frank Miller announced the Small Business Development Corporations Program. At the time, he explained, "I believe it is vitally important to make sure there is a stream of equity capital available to new enterprises. Ideally, the lure of profit in return for risk capital should be enough to attract investors. People today, however, receive such generous tax treatment under the personal income tax for much safer investments that they are reluctant to invest in new ventures. I believe we must do something about it".

What the government did was to set out a program aimed at stimulating private sector investment in small businesses and encouraging the development of new enterprises throughout Ontario. This is brought about through the formation of Small Business Development Corporations which are private enterprises set up solely to direct funds and provide business and managerial expertise to eligible small businesses. Such corporations are not government sponsored nor are they Crown Corporations. They are established by private investors through incorporation with the Ministry of Consumer and Commercial Relations and registration with the Ministry of Revenue.

The Program as an Incentive to Investors

If Small Business Development Corporations are private enterprises, what then is the role of government in this program? Investors in a Small Business Development Corporation receive from the Ontario Government a grant or tax credit equal to 30% of the amount they pay for new issues of equity shares. On a $1,000 investment, an individual investor will receive a $300 grant and a corporation will receive a $300 tax credit against Ontario Corporations Income Tax.

To qualify for a grant, individuals must be ordinarily resident in Ontario — Corporations must be subject to Ontario Corporations Income Tax to benefit from the program.

After purchasing new issues of equity shares, investors will receive a Certificate of Investment from the Small Business Development Corporation. For individual investors, this certificate must be attached to a grant application form provided by the Ontario Ministry of Revenue. The Ministry approves applications and sends cheques in the amount of 30% of the investment to individual investors. It is estimated that the process takes about 3 weeks.

For Corporate investors, the Certificate of Investment

is sent along with an application for the 30% tax credit against Ontario Corporations Income Tax. Upon approval by the Ministry of Revenue, the corporation will be notified and may adjust its tax instalments accordingly. When the corporation files its tax return for the fiscal year in which the investment was made, a copy of the tax credit approval must be attached.

As with any investment in equity shares, there is an element of risk involved. The investor stands to either make a gain if the Small Business Development Corporation is successful and the value of the equity shares increase or conversely, he could suffer a capital loss. In terms of income tax treatment, a final ruling has not yet been made on whether the 30% grant or the tax credit will be directly subject to income tax. For capital gains tax purposes, it is expected that the cost base of the investment will be the purchase price less the amount of the incentive. Dividends paid by a Small Business Development Corporation are treated in the same way for income tax purposes as dividends from any other taxable Canadian corporation.

Small Business Eligible for Investment

As already outlined, the purpose of this program is to stimulate private sector investment in small businesses. The legislation surrounding this program places a number of restrictions on the type of small business which is eligible to receive investment capital from a Small Business Development Corporation.

Eligible companies must:

- be a Canadian controlled corporation
- have no more than 100 full-time employees
- pay 75% of salaries and wages in respect of operations in Ontario
- operate at arm's length of the investing Small Business Development Corporation
- be primarily involved in manufacturing and processing (i.e. those businesses that produce marketable goods from raw or unfinished materials) tourist activities or mineral exploration and development.

The Mechanics of Setting up a Small Business Development Corporation

While any person or group conceivably could set up a Small Business Development Corporation, certain requirements must be fulfilled. Some of the key provisions are outlined here:

- the only objects of the corporation must be to assist in the development of small businesses by,
  - providing capital through the acquisition and holding of securities, and
  - providing business and managerial expertise
- must have equity capital of between $250,000 and $5,000,000. However, a corporation may be registered with as little as $25,000 if it is prepared to increase its equity capital to the minimum operating limit of $250,000 within one year
- corporation must invest 40% of its equity capital in eligible small business by the end of its first year following registration and 70% by the end of the second year. These investments must be through the purchase of new equity shares which carry voting rights
- a corporation cannot own or control more than 49% of the equity shares of any small business invested in
- corporations must submit to an audit and review program by the Ministry of Revenue
- must comply with all provisions of *The Business Corporations Act.*

Public Participation

The instability in the financial markets since the enactment of the legislation has affected the extent of participation by the public in small business development corporations. However, in the seven months since its inception, this program is having a positive impact on the small business community in Ontario. To date, forty-one such corporations have been registered. Two are public corporations and the others are private companies.

The issued capital is $10.5 million, and investments totalling $5 million have been committed to small businesses throughout the province. Some thirty investments valued at more than $12 million are also under negotiation. Activities for which investments have been committed include boat building, mining, and the manufacture of solar heating panels.

The pertinent facts on the corporations and the investments made are shown as follows:

*Small Business Development Corporations**

Total Applications Rec'd 61

		Locations			
		South Central	West	North	East
SBDCs Registered	41	34	4	1	2
Applications in Process	20	1	5	1	2

*Investments in Eligible Small Businesses***

Manufacturing and Processing	10
Mineral Exploration and Development	1
Total $ value of investments	$5,030,000
Average $ value	$ 457,273
Number of employees in small business:	
• Retained	163
• Hired after investment	25
• To be hired in 1980 (estimated)	54
Additional space rented (sq. ft.)	15,000
$ value of additional equipment purchased	$480,000

*Potential Investments Identified by SBDCs***

Manufacturing and Processing	29
Tourist Activities	3
Total $ value of potential investments	$12,191,000

Breakdown by location

Central	$10,454,000
South-West	100,000
North	1,150,000
East	487,000

*Grants/Tax Credits**

Number of Grants/Tax Credits approved	676
$ value of approved Grants/Tax Credits	$2,500,122

*To February 22, 1980
**To February 1, 1980

In an effort to learn more about the setting up, organising and offering of shares to the public, *Aspects* interviewed Mr. R. Russell Martel, a director and founding member of the first public corporation, Aurelian Small Business Development Ltd.

Aspects:
Is there any significance to the name "Aurelian Small Business Development Corporation"?

Mr. Martel:
The name "Aurelian" is named after the Roman Emperor Marcus Aurelius. We submitted a list of names based on the lesser known Roman Emperors to the Ministry of Consumer and Commercial Relations, Companies Branch. Aurelian was the name approved.

Aspects:
On the Financial pages of the Toronto Star, 27 August, 1979, is the quotation "People started calling as soon as they heard. There is a lot of interest." What sort of people are interested in investing in your company?

Mr. Martel:
There are two groups of investors who have shown some interest. The first group are experienced investors who bought shares as they are willing to try something new. The second group are people who were attracted by the grant and have bought small quantities of shares. It is our hope that these investors will hold onto the shares for some period of time.

Aspects:
As I understand it, the shares are not available on the market, but only through St. Lawrence Securities. What's the process for accepting investors?

Mr. Martel:
St. Lawrence Securities is the principal agent for the sale of shares in Aurelian, but we are not the only agent. Other brokers are offering the shares for sale as well.

Aspects:
Once the original issue is sold, what happens next?

Mr. Martel:
After the original issue is sold, the stock will trade in the "over the counter" market immediately. We anticipate a market for the shares that will start at 73¢ to 77¢ and we hope that it will move in two years to the issue price of $1.00.

Aspects:
Is there already a market?

Mr. Martel:
There is a market, but that market is called the "over the counter market". The shares are quoted at the value less than 30% grant — i.e. the dollar share is quoted at 70¢. Once the shares are all sold, they will be traded in what is known as the "after market". We are hoping that in this latter market the price would be 75¢ or better per share.

Aspects:
Are the shares now listed?

Mr. Martel:
No, we plan to list on a stock exchange some time later on. Once the initial offer is completed, we will check as to which exchange we can list on. This depends on how many shareholders there are, and the number of shares that would be made available for trading. The Stock Exchange may or may not be the Toronto Stock Exchange.

Aspects:
What is the time limit for the offering of these shares?

Mr. Martel:
The initial issue was closed on October 24, 1979. After that date, shares purchased will not be eligible for the 30% grant.

Aspects:
Does this mean that all shares are subscribed by that cut-off date?

Mr. Martel:
No. Only about 530,000 shares were sold. Any shares sold after the cut-off date will not be eligible for the 30% grant. If, in the next year, we should need more capital, we would be required to file another prospectus. The shares sold from that additional prospectus would be eligible for the 30% grant provided money is available in the Provincial Government fund.

Aspects:
You have indicated that your company is only seeking to sell 530,000 shares, but you have an authorized capital of $5,000,000. Why are you seeking only about 1/2 million shares?

Mr. Martel:
Under the terms of the Act, the minimum authorized capital is $250,000 and the maximum is $5,000,000. We are free to set the paid up capital within those limits. We felt that $500,000 is a reasonable amount to work with. Also, when you try something for the first time, you are not sure how well a new issue will sell. The unusually bouyant market in oil and gold shares, and the sharp decline in the rest of the market has directed investors' attention to those problems. For this reason and since we are feeling out the market on the new program, we decided on a minimum offering of 500,000 shares.

Aspects:
It seems then that market conditions were responsible for the cut-off date of October 24. Is this the case?

Mr. Martel:
That is true. The market at the present time is rather soft for any new issues. Besides, we have to get around to investing the money obtained. We prefer to sell the shares first and then get into the investing stage. Both stages can be done at the same time, but it is not very practical.

Aspects:
What effect would the rising interest rates have on this program?

Mr. Martel:
I believe that the high interest rates would make this program very attractive, and quite successful. We would be investing in small businesses through the purchase of preferred shares. Dividends would be paid, and there may also be some bonus for the investor. To the small business, this is an alternative to mortgage or bank borrowing at high interest rates. Both these are short term lenders at escalating interest rates. The

investment made by the Development Corporation on the other hand, would be in the nature of a semi-permanent working capital.

Aspects:
Although you see the conditions of the past few months causing some problems in the sale of shares, does it not appear that for the small businessman the program is a boon?

Mr. Martel:
Yes, it is a rather unusual position. I must admit that I am very interested to see what the next small business development corporation does. It may not be for another two years before we can make any judgements. We can perhaps compare this program to the Registered Retirement Savings Plan. Legislation was introduced in 1958, but the Plan did not become popular until some five or six years later. This gives some idea of the time lag involved for the program to mature. Also, it is often good when you are not the first in a new venture. That way you learn to avoid the pitfalls and mistakes made by the first.

Aspects:
Your company is the only public one, and there are a number of private ones. Have you been in contact with those private companies, and are you both going after the same investments?

Mr. Martel:
We have had no contact with the private companies. I do not see us competing with them for investments. I think the private ones are for specific projects, but the public ones, like us, will concentrate on a large number of projects. We would be investing in mining exploration, and manufacturing. Besides, I do not believe that the shares of the private companies are easily marketable.

Aspects:
Once the shares are listed on the Stock Exchange, do you anticipate considerable "dumping" by persons who had invested primarily for the grant?

Mr. Martel:
I don't think that there will be any large scale "dumping". Most of the investors are aware that the market will start at 70¢ to 75¢ per share. There will not be much room for profit taking. Secondly, the type of people who have bought shares appear to be long term investors. Even those who bought 500 to 1,000 shares mentioned that the purchases are as a long term investment.

Aspects:
In this context, what is a long term investment?

Mr. Martel:
In to-day's world, an issue of five years is regarded as long term. Conditions are changing so fast that we can safely assume five years as the lower end of long term investment. In the context of the small business, there is a time lag of about two years before that business becomes productive, and in some cases the wait may be as much as five years. An investor in a small business development corporation receives the 30% grant shortly after that investment is made, and since a business takes from 2 to 5 years before showing a profit, that 30% grant is very much like a dividend paid in advance.

Aspects:
Are most people who have invested interested in the potential dividends on a long term basis, or do they have some sort of altruistic feeling for small businesses?

Mr. Martel:
A lot of the people who have bought are seriously interested in small businesses. The first few years for any business usually show the greatest percentage increase in growth, but that growth is not always translated into dividends. In the long run they are interested in the potential dividends.

Aspects:
Is there any other reason why people would make this investment?

Mr. Martel:
Most people invest in shares for capital gain. If we take the case of a prudent small investor who has a portfolio of 5 companies, he will need one venture to be very profitable, 3 to more or less break even, and the last may incur a loss. On average, the investor is ahead because of the very good performance of the first company.

Aspects:
What sort of reaction have you had from the Ontario Securities Commission? Do you anticipate any restrictions?

Mr. Martel:
We have had a very favourable reaction from the Ontario Securities Commission. The prospectus was processed very quickly. We do not anticipate any restrictions as long as we follow the rules. Naturally, we intend to do just that.

Aspects:
What relief in law would an investor have against a small business development corporation for recovery of the amount invested?

Mr. Martel:
There would be no relief at all, provided that any mistakes made were made with the right intentions. We propose to follow the approved procedure, so we do not foresee any instances of an investor wanting to recover his investment.

Aspects:
How would you compare the role of the Small Business Development Corporation to a mutual funds operation?

Mr. Martel:
The term mutual fund applies to a fund where the shares are redeemable. In the case of the small business development corporation, it is most unlikely that the shares will ever be redeemed, simply because the grant would have to be repaid. There is no comparison between this corporation and a mutual fund. They are very different. A much better comparison would be to that of a holding company or an investment fund. We are more like an investment fund company where our

activities are restricted under the Act. The trade-off of a 30% grant in return for restricting activities to a fairly narrow field appears to be very good.

Aspects:
Does a similarity not exist between a mutual fund and a small business development corporation in that an investor places money into your hands and leaves all decision relating to that investment up to you?

Mr. Martel:
Yes, that similarity does exist. We intend to spread the risk around into a number of ventures in the same way a mutual fund will do, but the relationship between us and our shareholders is completely different from the relationship between a mutual fund and its shareholders. Each has its own set of rights and procedures governing the disposition of shares.

Aspects:
What kind of companies would you be investing in?

Mr. Martel:
Initially, we would probably invest in small businesses that need some money to expand, say between $50,000 and $150,000. Most likely, we would not be involved in starting businesses, but would concentrate on helping those already established to expand.

Aspects:
Can you be more specific as to the small businesses you are referring to? Would they in the main be some kind of manufacturing operation?

Mr. Martel:
Most of the businesses that we would be looking at would be involved in manufacturing of some sort. Judging from the expertise of the directors on our board, we would be looking at electrical and electronic manufacturing, mining, and farm implements. Businesses which began as assemblers of components, and then moved into the manufacturing of those components as well as assembly are the types I think that we will be most interested in. Manufacturing covers a very large range of industries, so it would be unwise to restrict ourselves to plastic and wood manufacturing and metal fabricating.

Aspects:
According to your brochure, you are going to concentrate your investments in areas outside Metropolitan Toronto. Would you care to comment on that?

Mr. Martel:
We will be giving preference to areas outside Toronto. I believe that there are opportunities in the large urban centres, but there are probably fewer and better opportunities in areas outside the major centres. Our experience has been that money is harder to find as you get further and further away from the sources of that money. There are many instances where a businessman has a good product, but is not able to expand production simply because he is too far away from the sources of money he needs to carry out that expansion.

Aspects:
How would the businesses know you have money to invest? Are you going to advertise your willingness to invest?

Mr. Martel:
We are not going to advertise that we have money available for investment. Firstly, our directors with their wide range of experience can probably introduce us to quite a number of possible investments; and secondly, the initial advertising for the sale of the new issue has created enough inquiries that a person can be kept busy at least two months investigating those inquiries. Between those two sources we have lots of potential investments. Also, in the first year, only 40% of the money has to be invested, so it is not too difficult to place that money.

Aspects:
When you invest in a company, are there a number of things you can do, as for instance give a loan?

Mr. Martel:
Under the terms of the Act, 70% of the assets of a small business development corporation would have to be invested in shares of businesses. We would purchase preferred shares in the businesses we select, or may take preferred shares that can be converted into common shares after a period of time. Making a loan to a small business is really a last resort for us.

Aspects:
What kind of business and managerial expertise would you be providing?

Mr. Martel:
We would be functioning in very much the same way as a management consultant would. We would also be helping in a small way in helping them manage their finances.

Aspects:
Would this expertise be in addition to providing the necessary capital to companies?

Mr. Martel:
Yes. We have been involved in small businesses for quite a while. Up to now it has been mainly restricted to financial advice. However, we would find ourselves more deeply involved once the program gets working. We would like to restrict our activities to that of a silent partner, and allow the original company owners to run things. But there may be cases where we would have to be more active especially to protect our investment.

Aspects:
What are your criteria for deciding which companies to invest in?

Mr. Martel:
This is more in the nature of an art rather than a science. With small businesses, you are primarily backing the individual. First, we have to decide whether a particular business is, in theory, capable of being profitable, you are in a situation where you put your faith that the business operator will succeed in the venture. You hope that this businessman is very shrewd in his dealings, and attempts to minimize the risk of errors especially as he is not financially capable of paying for the consequences of those errors. Possibly the best type of

business would be where the owner has his money tied up in the operations, and he is a diligent worker.
Another group that we would be looking at are the young people who are keen on getting started, but do not have the necessary capital to do so. These people are willing to make the sacrifice in the hope that the business venture will be successful.

Aspects:
The newspaper articles describing this venture make this form of investment sound very attractive. How do you feel investors would react?

Mr. Martel:
The articles certainly made this operation look very attractive. I think that the whole program needs more publicity and at least one company that is successful in operations. We hope that we will be that company. If there is track record of success, there will be no problem in attracting new investors.

Aspects:
Referring back to the item in the Toronto Star, you stated that you anticipate a yield of about 6%. Do you have any comments?

Mr. Martel:
It is our intent to declare dividends, but we cannot guarantee that there will be any earnings to pay out. In the first year we will not be able to declare any dividends, and I suppose that the payment of the grant will compensate. The illustration given in the newspaper is a theoretical example of how the dividends will work. We assumed that we invested the funds received at 9%, and our expenses came to 3%. In this case there is 6% left to be declared as dividends. We must remember, however, that the price of a $1.00 share is 70¢ (after the grant has been paid), so the dividend would be 6¢ paid on 70¢ or 8.57%. In some cases, the earning picture may be better if some bonus can be picked up at the same time.

Aspects:
Has there been a final ruling regarding the income tax implications for this type of investment?

Mr. Martel:
There has been some talk about leaving the adjusted cost base after the payment of the grant at $1.00 per share. I doubt that the Federal Government will go for this.
With the Provincial Government the adjusted cost base after the payment of the grant is 70¢ per share. There is no problem here either. It is only when the shares are disposed of that there may be a capital gain or loss. As far as I am aware the rules that currently hold will also hold in this situation.

Aspects:
Is there any suggestion that a person receiving the grant has to pay income tax on that grant?

Mr. Martel:
I don't think that the grant would be treated as income. I think that there are sufficient precedents which dealt with situations of this nature.

Aspects:
It appears then that the next phase of the program where you actually decide on which businesses to invest in would be very interesting.

Mr. Martel:
Oh yes, very much so.

DATA BASE

The Honourable Lorne Maeck, Minister of Revenue, has announced the appointment of Mr. W.J. Lettner as Assistant Deputy Minister, Property Assessment.

* * *

Bill 164, *An Act to Amend the Assessment Act,* received Royal Assent on November 30, 1979.
- the implementation of market value assessment is postponed;
- the procedures for equalizing assessments within a municipality are clarified with the addition of Section 86(c) of the Act;
- pipeline assessments will remain at the 1970 level;
- assessments on oil and gas transmission lines will not be reduced by the application of the 1979 municipal equalization factors;
- the valuation of Ontario Hydro property, as fixed by Section 47 of *The Power Corporations Act,* will be adjusted by the equalization factor used in 1978.

* * *

The Deputy Minister has appointed a Committee of Assessment Commissioners who will be reporting directly to him. The Chairman of the Committee is R.H. Beach (Halton-Peel) and members are V.M. Hewson (Scarborough-East York), G.L. Thompson (Northumberland-Hastings-Prince Edward), I.W. McClung (York), W.F. Jenkins (Huron-Perth), R. Vendette (Manitoulin-Sudbury) and C.E. Winter (Elgin-Middlesex-Oxford).

According to Chairman Beach, the Committee has been given broad terms of reference and he sees its goals as including the following:

— to improve service to municipalities and ratepayers
— to review current procedures and determine how effectively our goals are being met
— to hear and decide on certain issues related to methodology
— to make certain that procedures are useful both from a regional and head office viewpont.

Chairman Beach has written to every Commissioner asking each to identify problems which could be brought before the Committee. He feels that assessment staff in regional offices may also want to bring forward suggestions. This can be done through discussion with their Commissioners who will present these concerns to the Committee.

The first meeting of the Committee was held on December 18, 1979.

* * *

Assessment Training Programme

In Service Training Graduates

Assessment Principles and Valuation

Prescott-Russell-Stormont-Dundas-Glengarry
Michel L. Hurtubise

Durham
Hubert Labelle

York
Alan Dobie
Donald Lazarow

Cochrane-Timiskaming
Gary Bielek
Roberta Comisso

Assessment Principles

Renfrew
Marsha Beattie
Elva Oelke
Barbara Thompson

Frontenac-Lennox-Addington
Marion P. Evans
Leila McLeod
Gary R. Pinney
Yvonne Smith
Mary Weatherby

Scarborough-East York
Heather Belcher
Myriam Schembri

Niagara
Penny Campbell
Blanche A. Lynch

Cochrane-Timiskaming
Paul Desormeaux
Linda Gauthier
Judy Lamothe
Velma Mallette

Assessment Mapping

Frontenac-Lennox-Addington
Elizabeth Green
Ann G. Tobin

Northumberland-Hastings-Prince Edward
Clarence Ash

Scarborough-East York
Michael O. Bruce
Louis R. Trotter

Durham
Miroslav Engel

York
Nicholas W. Legge
Christopher P. Mabey
Tack-Wa Wong

Waterloo
Donna M. Blair
Heather J. McIlwraith

Kenora-Rainy River-Thunder Bay
Walter J. Kytayko

* * *

The Honourable T.A. Wells, Minister of Intergovernmental Affairs, has announced the policies regarding the 1980 provincial Transfers to Municipalities, and the use of the New Equalization Factors.

Total transfers in 1980 will be $1,997 million, up $194 million from the previous year. An amount of $22 million is included in that figure to modify the impact of the new equalization factors, and significant funds for capital purposes.

The Minister also announced a change to improve the several grant programs. This change will compensate for sudden changes in population. To determine municipal grants population, a municipality will be able to use the greater of

(a) the 1980 municipal grants population; or
(b) the average of the 1978, 1979, and 1980 grants population.

This change will apply to all grants which are based on population.

* * *

Two long term changes are introduced with regard to Resource Equalization Grants to Municipalities:

(a) Farm and residential assessment will be weighted at 85% for purposes of calculating the grant;
(b) A lower tier municipality will be required a portion of its grant against the Regional or County requisition. The Province will pay directly to the Upper tier government that portion for the credit of the lower tier municipality.

In addition, the lag of one year which existed between the time the Resource Equalization Grant is paid and the time it is converted into equivalent assessment will be discontinued. The 1980 Resource Equalization Grants will be reflected in the 1980 apportionments.

As far as the other grants are concerned, there will be no change.

* * *

The application of the 1979 equalization factors will create potential tax shifts within the Resource Equalization Grants. The potential shifts will be limited in two ways:

(i) for the purpose of calculating the Resource Equalization Grant, a municipality's equalized assessment will not be allowed to increase or decrease by more than 10% relative to the change for the Province as a whole;
(ii) no municipality will receive less grant in 1980 than it would have received if the old factors had remained in use.

The potential tax shifts in the apportionment of county and regional costs will also be limited in two ways:

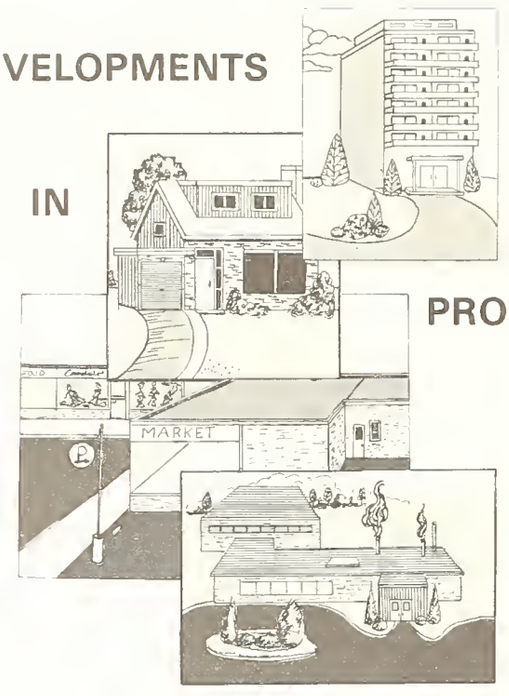
(a) a municipality's equalized assessment for municipal apportionment purposes will not be allowed to increase or decrease by more than 5% relative to the county or region as a whole due to the new equalization factors;
(b) in those instances where a municipality's share of an upper tier gross levy would go up by more than 5%, even after modifications, the Ministry of Intergovernmental Affairs will provide a grant to cover the amount over 5%.

Legislation will be introduced shortly to implement the 1980 Resource Equalization Grant and apportionment change. *The Unconditional Grants Act* will be amended.

* * *

The following municipalities are returning assessment for the taxation year 1980 under Section 86 of The Assessment Act.

Town of Vankleek Hill
Township of Bastard and Burgess S.
Township of Escott Front
Township of Cumberland
Township of Osgoode
City of Vanier
Village of Rockcliffe
City of Nepean
City of Ottawa
Township of Rideau
Township of Goulbourn
Town of Arnprior
Township of Radcliffe
Village of Colborne
City of Belleville
Village of Bloomfield
Town of Deseronto
Village of Tweed
Township of Faraday
Township of Laxton, Digby, Longford
Township of Manvers
Township of Cardiff
City of Peterborough
Town of Lindsay
Township of Glamorgan
Township of Brock
Township of Scugog
Township of Innisfil
Township of Adjala
Town of Niagara-On-The-Lake
Town of Stoney Creek
Township of Flamborough
City of Nanticoke
Township of Delhi
Township of Norfolk
Town of Haldimand
Town of Simcoe
Town of Dunnville
City of Brantford
Town of Orangeville
Village of Clifford
Village of Grand Valley
Town of Shelburne
City of London
City of Woodstock
Village of Port Stanley
Township of Lobo
Township of Bayham
Village of Belmont
Township of Zorra
Town of Goderich
Town of Exeter
Village of Bayfield
Town of Seaforth
Village of Brussels
Township of Ashfield
Town of Listowel
Township of Usborne
City of Stratford
Township of Turnberry
Township of Colborne
Township of Mornington
Town of St. Mary's
Village of Milverton
Township of Ellice
Township of Morris
Township of Goderich
Town of Mitchell
Village of Hensall
Township of Howick
Township of Elma
Township of Hay
Township of Grey
Township of Hullett
Town of Clinton
Township of Downie
Village of Blyth
Township of Blanshard
City of Chatham
Village of Thamesville
Town of Tilbury
Township of East Ferris
Township of Caldwell
Township of Airy
Timiskaming Board of Education
Township of Hudson
Town of Latchford
Timiskaming Board of Education
Township of Larder Lake
Town of Charlton
Improvement District of Sioux Narrows
Township of Machin



A Place to Work, A Place to Play:

Condominiums — The Non Residential Side

Clyde Harnanan
Assessment Standards Branch

The introduction of condominium development in Ontario was formally made in 1967 with the proclamation of the *Condominium Act* (S.O. 1967, Chapter 12; R.S.O. 1970, Chapter 77). The variation on the ownership of real estate was brought about because the amount of land available for development into viable real estate was in short supply especially in the large urban areas.

Initially, condominium development concentrated very heavily on the residential sector of the real estate market. The condominium permitted people to purchase and own real estate who, if this concept was not available, would have been unable to afford a residential unit. In the main, ownership appealed to two groups of purchasers — the young newly marrieds who were starting out on their own, and the older folk whose children had all moved away from the family home, and who would still like to call a place their own without all the attendant maintenance chores. This latter group is widely referred to as the "empty nesters".

The application of the condominium concept in Ontario has moved into commercial and industrial real estate areas as well. The first industrial condominium development in Canada came into being in 1972 in Mississauga. Commercial office buildings came on the scene a year later. These initial applications have proven for the developers to be so successful that they now have extended the condominium idea to other commercial and industrial properties, and even to resort real estate as well.

History of Condominium Development

It is thought that the condominium idea has existed since Roman times.[1] Perhaps the earliest evidence of the condominium ownership principle was seen in some European countries during the twelfth and thirteenth centuries when it was not uncommon for different persons to own separate rooms or floors of a single building. Throughout Europe this type of ownership existed until the nineteenth century when France was the first to incorporate separate ownerships in a single building in the Napoleonic Code of 1804. The German code that came into effect on January 1, 1900 expressly forbade the splitting of ownerships on the basis of floors or rooms except in those areas where it prevailed, e.g. Baden, Wuttemberg, and the Rhineland. (These areas were at some time under the Code Napoleon).

During the early twentieth century the condominium concept caught on in Europe particularly because of the scarcity of available land. Those countries in which the Code Napoleon has had some effect were the first to introduce condominiums. They were followed by Italy in 1934 (Arts 1117-1139, Italian Codice Civile).

Following the lead of the European countries, six South American countries passed enabling legislation for condominium ownerships between 1928 and 1952. In these countries the condominium development is very common and extends to almost all property types. The first known case of condominium ownership in North America was in New York City. In 1947, twelve self-owned suites in a six storey building were registered. These suites were legally described as "cubes in space". However, the first statute to this effect was the passage of a skeletal bill in 1951 by the Puerto Rican government. Under this bill, the system gained popularity. This led to the passage of the *Horizontal Property Act* of 1958, and from this start the

U.S. House of Representatives in 1961 finally gave its nod to condominiums by altering the provisions of the *National Housing Act* to accommodate condominium ownerships.

Ownership of units in a corporation started out with residential units and eventually spread into the non-residential sector of the real estate market.

In Canada, British Columbia was the first province[2] (apart from Quebec where the French Civil Code has some force) to enact enabling legislation for condominium ownership with the *Strata Titles Act* passed on September 1, 1966. Other provinces have followed this lead. The *Condominium Act* came into force in Ontario in 1967. As was the case in the United States, condominium corporations are confined to a very large extent to the residential sector of the real estate market. In the Ontario context, commercial and industrial condominiums were introduced in 1972 to 1973, but there are still only a few of these corporations in existence.

Growth of Non-Residential Condominiums Properties in Ontario

Although the primary intent of the *Condominium Act,* 1967 was to encourage ownership of residential properties, developers have found that this form of ownership is also attractive for non-residential forms of real estate. Since the early 1970's, condominium offices, industrial estates and lately resort developments have appeared on the market. The developers have found that the conditions which are applicable for residential ownership are also applicable for commercial and industrial property types.

The commercial office was the first that made an application of condominium ownership. The high-rise office building almost fully duplicated the legal conditions of the high rise apartment condominium in that an owner acquired title in fee simple for unit, and title in common with other owners for all common elements. Similar, from a legal angle, has been the ownerships in the medical and dental buildings that have since appeared.

Industrial buildings in a small industrial estate were next in using the principle of condominium ownership. These were all single storey buildings and a person who acquired title to one of the units also owned in fee simple the land on which that building sat. This feature is a variation of the condominium concept as it applies to residential properties where the land on which the building(s) sit is owned in common by all owners. In the case of the industrial development, the common elements are those items which are outside the walls of each unit but within the perimeter of the development. As a result, the industrial condominium has fewer common elements than a commercial or residential development.

The Development of A Commercial/Industrial Condominium Complex

Up to the present time, the path from declaration of intent up to the sale of individual units runs parallel to the path used for a residential type condominium. A land developer or contractor takes the initiative in starting the condominium corporation. This person (or company) secures the land and ensures freehold title. He determines what the development should be, given the conditions that exist in the vicinity of the site to be developed. He takes into account the availability of utilities and services, freight access and the proximity to the work force. He also considers requests from parties interested in his type of development as to the potential and needs, and using that information, he formulates the proposal as to the sort of property to be developed.

Next, the developer takes his proposal to the planning board of his municipality for approval. This approval is contingent on such things as how well a particular development may fit into the long range plans and whether a change of zoning is required to accommodate such a development. Input from local area residents is sought before the stamp of approval may be given. In a number of instances, the approval process will be relatively short, but in quite a few cases, a decision may not be reached until appeals are made to all levels in the legal hierarchy for the approval of such proposals. The time element is critical as the prospective developer will have secured letters of intent from interested parties, and these letters may contain a clause nullifying that intent if approval is not received by a certain date.

Having overcome the first hurdle, the developer proceeds to the next stage. He files a declaration with his local Registrar of Land Titles in which is contained:

(a) a statement of intention that the land and other interests connected with that land shall be governed by the *Condominium Act*;
(b) consent of all persons who hold mortgages against that land;
(c) a statement showing the percentages of common interests;
(d) a statement showing the percentages, based on the allocation of units, for the owners to contribute to common expenses;
(e) an address for service and a mailing address for the corporation;
(f) a specification, if any, of those common elements that are to be used exclusively by some but not all owners of units.

From this point on, the headaches involved with construction take over. The architects' plans are drawn and submitted to the local municipal council for approval, and the developer approaches the financial brokers with a view to securing a building mortgage.

Two Recent Developments Reviewed

In researching material for this article, two developers were interviewed. Mr. J.F. Kosalle of Lempicki Construction Limited and Mrs. A.L. Bateman of Loycon Developments Limited. Both these companies can be considered to be innovators in the condominium scene in that they have adapted the *Condominium Act* to suit the needs and requirements for commercial and industrial use. Lempicki Construction through its development arm Maureen Developments Limited was responsible for Ontario's first medical condominium; and Loycon Developments Limited did the same with industrial condominiums.

The Lempicki project is an eight storey office structure with two basement levels. It is located in close proximity to three hospitals in downtown Toronto. Approximately 90% of the suites contained in the building are owned by medical personnel. The rest of the building are suites rented to medical doctors by the

original developer. On the ground floor and first basement level are ancillary medical services such as a pharmacy and radiology department. From the second to the top floor are offices of medical doctors, and the second basement level is the parking garage.

In the case of the commercial condominium project, it is easy to define a unit in terms of a full floor in a multi-storey structure. But a problem arises when a single unit should be some part of a full floor. There are no easily identifiable boundaries on the floor surface to allow for a unit that is less than a full floor to be defined. Until some method was found there could be no condominium unit that occupies less than a full floor. The Lempicki group hit upon the idea of dividing the available space on a floor into a number of units. These units will each be a standard size of approximately 130 square feet. Those portions of the floor that would be part of the common elements e.g. hallways, lobbies, electrical rooms would be excluded from the total interior area when reckoning the number of units per floor. This idea is very much akin to rooms in a residential condominium where each unit contains a certain number of rooms.

construction was completed by the end of 1974. The first occupants moved into the building in early 1975, and it is presently almost fully occupied.

In the industrial field, Loycon Developments Limited built the first industrial condominium in Ontario. In this project, which was completed in 1972, there are fourteen units arranged around a central plazalike courtyard. In all there are twelve separate structures, and with the exception of two of them, each building is a separate condominium unit. The two remaining buildings each house two units. In addition, all units are linked together by way of screened outside storage areas that are located between the separate buildings. Water is supplied to the development with bulk metering, but Loycon has installed separate meters for each unit. The other utilities are metered to each individual unit.

Access to the development for highway transport vehicles is made on paved roadways around the outside perimeter of the buildings. These roadways are wide enough to accommodate the largest transport vehicles. Loading facilities are provided at each unit with loading docks and doors. Parking spaces are provided in the

Rosedale Medical Centre — A Medical Condominium Building

Using the idea of the division of a floor into units the Lempicki group was able to offer to a prospective purchaser some flexibility as to the size of suite that may be purchased. The standard area is that occupied by four units — approximately 500 square feet, to a maximum of the full floor, or of any other size between those limits provided that the increment in size corresponds to at least one unit. A purchaser would determine his needs in terms of area, and would agree to buy a suite that would be of that size.

The planning for this project began in late 1971, and

central courtyard for vehicles belonging to owners, employees and visitors. In addition, the entire development located in Mississauga is in very close proximity to Toronto International Airport and to three major expressways.

Since the development of the first industrial condominium project, Loycon has brought at least two more corporations on to the Ontario real estate scene. According to Mrs. Bateman, Loycon has been able to market all units within two years from the date of completion of the building construction. The measure

of the success of these ventures is reflected in the complete duplication of one of these developments by a developer in the United States.

Problems and Advantages of Non-Residential Condominiums

Both developers interviewed voiced their concerns over the various delays and roadblocks placed by the approving authorities at the local municipalities. They are particularly perturbed with what they call unnecessary conditions which the local officials demand for complying with the various codes and regulations pertaining to building construction. The developers are also upset over what they term "unnecessary duplication of approving bodies" within the municipal administration. They would prefer to submit their plans and proposals to one approval body rather than being shuffled from the building department to the plumbing department to the electrical department to the landscape department and so on with each department calling for a separate set of architectural drawings. The claim is made that the departments concerned are not co-ordinating their efforts, but rather each is trying to exhibit its importance over the other departments.

From the developer's point of view, the inter-departmental shuffle is very costly in that such delays are not productive as they are faced with the repayment of building mortgages but no construction has started.

The other area of concern that face the developers is the availability of mortgage funding in order to construct the development. Only the commercial banks and the trust companies are in a position to lend the large sums required for a condominium development. These organizations are very conservative in their lending habits and are very reticent in wanting to accommodate the commercial/industrial condominium developer. Letters of intent from would-be purchasers of units in a commercial development do not always guarantee that a mortgage will be approved. In the industrial context, the developer has no idea who the eventual occupants of the project will be. The project is planned in such a way that the needs of a light or medium industry can be met in any of the units. For instance, the facilities offered are the same whether the unit is small or large in area. From the lender's point of view, this development represents a very high degree of risk. Consequently, the developers may have to resort to other sources of financing at more expensive rates.

The developers are hoping that the traditional mortgage financiers will recognize the condominium development as a legitimate form of real estate ownership and ease the restrictions imposed for the approval of building mortgages.

Matheson Boulevard Industrial Court — Canada's First Industrial Condominium

The developers are also concerned about the sale of the units once constructed to condominium purchasers. Although prospective purchasers provide the developer with letters of intent to purchase, there have been a number of cases where these letters were withdrawn. In these circumstances, financial hardships can occur as the developer, in most instances, had agreed to retire the mortgages within two years of completion of the project. The two developers contacted both have stated that the condominium projects were sold out by the target date set even though the persons who had given the original letters of intent withdrew those letters.

Despite the disadvantages given above, a developer has two major advantages. The first is that the developer is not stuck with the maintenance and upkeep of buildings for any length of time after construction because ownership passes to the condominium corporation. Even though the developer may retain the ownership of a few units, he is a member

of the corporation and his share of the expenses is determined by the ratio of his ownership in the corporation.

The second major advantage lies in the fact that the developer can better utilize a plot of land for condominium development than he may do if he should construct a facility for a single owner. Since the development is for multiple ownership ultimately, the lot setback restrictions are different than for a single owner building. He is therefore able to squeeze a much larger marketable floor area on to the given plot of land. Municipal by-laws are such that a more optimal use is made of a site for a condominium project.

The Condominium Unit Owner

The developers contacted for this article have claimed that a market exists for units contained in commercial and industrial condominium projects. This form of development affords an industrialist or a professional person the opportunity to obtain title to a building or portion of a building that would adequately suit his needs, and one that is also within his budget limits. He would also be sharing with the other owners in the corporation the cost for maintenance and upkeep of the common elements. He is therefore able to have just the right amount of space he requires and at the same time minimize his carrying and recurrent costs. If this same entrepreneur were to acquire his property as a single owner, the probability is that he will have to purchase a property which is far larger than necessary for his needs, and he would be solely responsible for all recurring expenses. He would encounter the problems associated with the rental of vacant space and of paying property and business taxes for those portions of his property that are not productive. In addition, he may be able, especially in the case of industrial uses, to find the suitable property only in those areas zoned industrial, and, because of this, the property could very well be priced out of his range. The condominium unit therefore fills the gap between the alternative of rental and single property ownership.

The management of a commercial/industrial condominium is very much like that for a residential condominium. All persons who have purchased units are automatically members of the condominium corporation. A new constitution need not be drawn up as the developer would have taken care of that detail when he registered the declaration of intent. It has been said that the commercial/industrial corporation is more likely to be successful than the residential corporation, because first, the members are business oriented, and second, the purchasers were accepted by the developer because the condominium project would attract business people of similar interests. For example, medical personnel would be interested in buying into a medical condominium office project. There is also the probability of greater co-operation among such a group as opposed to the diverse interests and personalities that are generally found in the residential projects.

What other benefits accrue to the condominium owner? For one thing, he is able to write off for income tax purposes, all the expenses he would incur if he were a tenant. Additionally, he can depreciate the unit along the established lines — something he could not do if he were the lessee.

There is also the possibility that the operations of one owner in this corporation are complemented by the operations of the other owners of units, and collectively they are in a good position to afford such services as they would have use of in common. For example, in a medical/dental corporation common facilities that would be of benefit to all persons would be a radiology unit, laboratory unit and pharmacy unit. The condominium corporation would make it possible for a successful symbionic relationship to flourish amid such types of unit owners.

As with any organization in which many people are brought together, there are some disadvantages which are encountered in a condominium corporation. There are the problems of non-cooperation on the running of the corporation, of non-payment of common element charges and costs. These, however tend to be minimized as the principals are usually business oriented people who very quickly realize benefits of co-operation. It is generally felt that the selfish bickering amongst some owners in a residential corporation would not occur in the commercial counterpart because the group is small and the profit motive is predominant.

Looking Ahead

How does the future augur for business condominium ownership? It seems to be quite promising. There is already, in some parts of Canada, condominium ownership in resort operations, and in certain parts of the United States there are condominium type shopping centres, medical facilities, and even cemeteries.[3] This last application will be of particular relevance to those groups who deep freeze the bodies of dead relatives in the belief that those bodies can be thawed out at some future date when the person will become alive once again. At the moment there are plans in the City of Philadelphia for the construction of a building that will be a condominium cemetery. Corpses will be interred in vaults which will be located on the upper floors, and the entire ground floor will be owned by personnel related to the various facets for the interment of the dead, e.g. coroner, funeral parlor, flowershop, chapels, and crematoria.

The application of the condominium principle may be made for any of the property types in which there is some common theme. As mentioned earlier, the medical profession has alrady gone into the condominium approach. Physicians and surgeons skilled in the various branches of their professions find that it is to everyone's mutual interest to be involved in a medical condominium. The industrial application is another area.

In the Canadian context, condominium ownership has not been extended to shopping centres, but there is no reason why it should not. To the individual retailer, the ownership of his own store could be more appealing than the renting of that unit. With the rental leases written with escalator, percentage and participation clauses, the retailer may be in a better profit position should he own his own unit. He will not have to share with the landlord, any part of the revenues that are gained through his entrepreneurial skills, and will at the same time be minimizing those recurring expenses and common element charges. He will also have a greater say in the success of the shopping centre by virtue of his being an owner and automatically a member of the corporation.

Thus far, the development of a condominium corporation in Ontario has involved a developer getting

the project together and operational before it is handed over to the unit owners in the corporation. The possibility also exists for a group of interested persons getting together with the aim of forming a condominium business corporation. These people would form a corporation that would be responsible for the acquisition of land, developing the proposal, and the construction of the building(s). When construction is complete, each member of that corporation will be a unit owner in the condominium corporation. The ultimate unit owners will have taken on the role of the developer in getting the project from proposal level to finalization of construction. At that final stage the business corporation formed initially will sell the units to each of the members, and a new condominium corporation will be born. This idea has not caught on because of the reserved caution which municipalities and mortgage financiers show whenever an approach that is not the traditional conservative one appears. It is also somewhat difficult to get a group of people to be in full agreement for a bold venture such as this one and there are no precedents upon which would-be participants can look for ideas and direction.

That the ownership of a condominium unit is a viable form of real estate title for non-residential uses, has been demonstrated through the growth, albeit slowly, of medical, commercial office and industrial condominium corporations. Within recent months the resort condominium corporation has been introduced into the Ontario scene.[4] So far there have been three major developments — one on the northeast shores of Lake Simcoe, and two in Collingwood on the Georgian Bay coastline of Lake Huron.

The Lake Simcoe project, called Lagoon City is a twofold operation divided into two villages. One part contains single family freehold homes and is called Pinetree Village. The second portion is the condominium portion, known as Harbour Village. In this second portion are 102 townhouse units that are built as two level, two and three bedroom units and as three level, three bedroom units. Each unit has its own private dock for pleasure craft.

All townhouses are designed for year round occupancy, but the owners, should they join an organization called "Resort Condominium International", can avail themselves of similar accommodation in another resort for part of the year.

Both Collingwood projects are also townhouse developments. The first, Cranberry Village is the more ambitious. A total of 1500 units are planned to be built on a 500 acre parcel of land. To date 105 units have been built and sold, and 100 more are to be built during this year. The developers have planned to register the units as condominium corporations as they are built and sold. When the project is fully complete, it will be a number of separate corporations, rather than a single giant organization.

The second, Vista Blue is planned as a 48 unit townhouse corporation. It will comprise one and two bedroom units. This particular project is in close proximity to the ski slopes for winter activities, and the occupants will have access to the municipal marina for summer boating. Like Cranberry Village, Vista Blue is planned for year round occupancy.

A new feature to the resort condominium has been added with the opening of Harbour Inn at Lagoon City. Like the others, it is a year round resort facility, but purchasers into this development will be owners in fee simple for a specified time period in each and every year. Each of the 43 units can have as much as 52 separate owners as a person may purchase a unit for a specific week in each and every year from that date of purchase. The cost of the unit during the low season i.e. wintertime is lower than the cost of that same unit for high season occupancy. Each unit is sold as a fully furnished suite. A maintenance charge is levied for the week or weeks for which the owner has the use of the suite. According to the developers, all owners automatically become members of Resort Condominium International, and an owner may exchange his week's ownership with another RCI member in another part of the world, but the stipulation is a low season ownership at Harbour Inn can be exchanged for a low season ownership at another place. A person with low season ownership cannot exchange with a person who has high season ownership elsewhere.

The shortage of suitable land for commercial, industrial and resort uses has the effect of increasing the cost of that land for any prospective entrepreneurs. Coupled to this, is the increased awareness of the public at large and the conservational and environmental constraints imposed by municipal councils which would make any large venture very improbable. The condominium unit ownership and corporation makes it possible to combine effectively the economies of scale of a large development and the pride of ownership of a single unit.

Footnotes

[1]J. Leyser, *The Ownership of Flats — A Comparative Study,* International and Comparative Law Quarterly, Vol. 7, January 1958, pages 33-37.

[2]Alberta also enacted *The Condominium Property Act* on September 1, 1966.

[3]D. Clurman, *The Business Condominium,* John Wiley & Sons Inc., 1973, Chapter 7.

[4]Margaret Calder, *Carefree Living Available with Recreational Condominiums,* The Condominium Vol. IV April 1979, page 5, and Catherine Raby, *International Holidays Likely with Time-Sharing Condominiums,* ibid., page 18.

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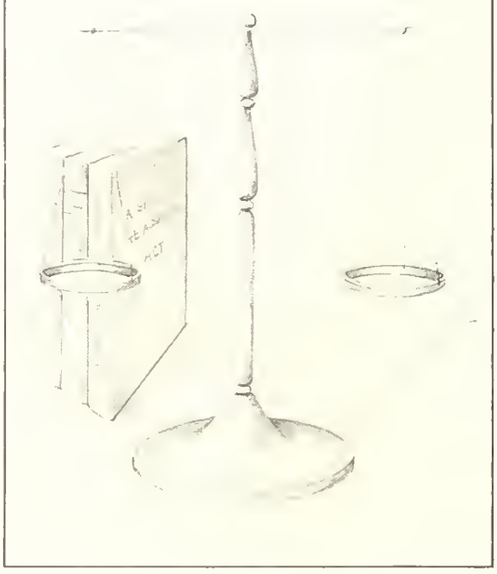
What is a Seminary of Learning?

Case Study



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When most of us think of the word seminary we think of a building used for the training of divinity students. More often than not our thoughts envision an ivy-covered structure set apart from the remaining university buildings and symbolizing the remoteness of the studies that are being conducted within the walls of the seminary. The reality is that the word has a much broader meaning than our thought and, at least within the perameters of *The Assessment Act*, is not restricted to some long established hall of learning.

Paragraphs 5 and 6 of section 3 of the Act* list the criteria by which a seminary of learning may be exempted from municipal taxation. Moreover, the exemption is not limited to religious seminaries; it also includes philanthropic and educational seminaries. As a result a seminary of learning may in certain circumstances be a summer camp, cultural association, missionary training institution or the ivy-covered divinity college on the university campus.

Naturally, whenever an institution seeks an exemption from municipal taxation, the onus or burden of proof is on that institution to show that it clearly comes within the exempting legislation. Needless to say, opinions vary as to what actually constitutes a seminary of learning and the courts have been called upon to determine whether or not an institution seeking exemption under s.3 paragraphs 5 and/or 6 is entitled to it. Paragraph 5 cites the criteria for philanthropic or religious seminaries. Paragraph 6 spells out the conditions under which exemptions for educational seminaries are granted.

5. The buildings and grounds of and attached to or otherwise bona fide used in connection with and for the purposes of a seminary of learning maintained for philanthropic or religious purposes, the whole profits from which are devoted or applied to such purposes, but such grounds and buildings are exempt only while actually used and occupied by such seminary.
6. The buildings and grounds not exceeding in the whole fifty acres of and attached to or otherwise bona fide used in connection with and for the purposes of a seminary of learning maintained for educational purposes, the whole profits from which are devoted or applied to such purposes, but such grounds and buildings are exempt only while actually used and occupied by such seminary, and such exemption does not extend to include any part of the lands of such a seminary that are used for farming or agricultural pursuits and are worked on shares with any other person, or if the annual or other crops, or any part thereof, from such lands are sold.
   (a) The exemption from taxation under this paragraph does not apply to lands rented or leased to a seminary of learning mentioned in this paragraph by any person other than another such seminary of learning or a person already exempt from taxation in respect of the property rented or leased.

Most court decisions have centred around paragraph 5 because of the fairly wide latitude this paragraph allows. Such words as "philanthropic" and "religious" are imprecise terms and are open to interpretation.

The Opening Door

Prior to 1957, the issue of what constitued a seminary of learning was not often contested in the courts but the decision, *World-Wide Evangelization Crusade (Canada) v. The Village of Beamsville* (1960) S.C.R. 49 opened the door of interpretation much wider.

The question, in that instance, was whether the property, owned by the non-profit missionary organization and used for developing and increasing the missionary's skills, should be exempt under paragraph 5 of section 4 of *The Assessment Act* R.S.O. 1950 (now R.S.O. 1970 s.3 para. 5) as a seminary of learning. Counsel for the Village of Beamsville argued that the phrase 'seminary of learning' should include places giving instruction of a standard approximating university level. The Supreme Court of Canada, in a 3-2 split decision disagreed. Mr. Justice Cartwright, for the majority stated:

". . . The word 'seminary', standing by itself, has not acquired any fixed legal meaning. It is not, in my opinion, a term of art and its primary meaning is simply a place of education."

"Learning to be better missionaries is no mere by-product or chance result of these persons living and working together in this establishment; it is the primary purpose of their association. That the subjects of their study comprise only the Holy Scriptures and those practical skills useful in the mission field does not, in my opinion, render the word 'learning' inapt to describe their activities."

"In my opinion the proper way to decide whether paragraph 5 is applicable is not to compare the appellant's method of instruction with that given in other institutions which undoubtedly fall within the description of 'seminary of learning' but rather to enquire whether those in attendance do learn to fulfill better and more effectively the religious purpose to which they have dedicated themselves. I have reached the conclusion that the appellant is entitled to the exemption claimed."

The *World-Wide Evangelization* case broadened the definition of seminary to the extent that institutions not ordinarily thought of as places of higher learning have sought and won exemptions on the grounds that they are philanthropic or religious seminaries of learning.

Seminaries of Learning

The University related Colleges

How rigid does a course of studies have to be before an institution can be classified as a seminary of learning maintained for religious, philanthropic or educational purposes? This was the question the court sought to answer in *Re Westminster College and City of London* O.R. 1963 vol. 2 25 and *Re St. Vladimir Ukrainian Institute and City of Toronto* O.R. 1966 vol. 2 407.

Westminster College was a United Church owned students' residence on the campus of the University of Western Ontario. The building also housed administrative offices, a library and a recreation room. It was agreed that the chapel was exempt from taxation. Courses in religion were given at the college but they were voluntary and not particularly well attended. No credits were earned.

Officials of the College claimed that the College was "a place of education in the sense that there was an exchange of ideas and a 'rubbing together of points of view' . . ." and therefore should be entitled to the exemption as a seminary of learning. The court disagreed, stating:

"The applicant in this case has no specific purpose. Westminster College is not training any of their students for anything special. The University of Western Ontario is training the students of Westminster College in various matters including engineering and many other kinds of education. What Westminster College itself is providing is simply what the United Church consider, to use Mr. Campbell's words, "an absolutely essential aid to a well-developed education". I do not in the least detract from the fact that the purpose is a good one and no doubt helpful, but the fact remains that Westminster College is not being at present conducted as a seminary of learning except in an incidental sense. It in fact provides a good place to live and an "environment conducive to exchanging ideas intellectually stimulating". The exemptions to the general rule in the *Assessment Act* that all properties are taxable, and which I have quoted above, seem to me to contemplate more than what Westminster College is doing, namely, the actual education of students for religious purposes or at least for some educational purposes which can be defined. The atmosphere is provided and any actual education the students gain is of their own volition and chiefly by their mutual contacts and purely a matter of chance. In the *World-Wide Evangelization Crusade* case, supra, Mr. Justice Cartwright, at p.11 D.L.R., p. 52 S.C.R., remarks that, "Learning to be better missionaries is no mere by-product or chance result of these persons living and working together in this establishment; it is the primary purpose of their association."

The application for exemption was dismissed.

The case *Re St. Vladimir Ukrainian Institute and City of Toronto* O.R. 1966 vol. 2 407, also involved the question of an exemption from tax for a student residence. The Institute in this case offered courses in religion and culture and like Westminster, no examinations were taken nor were any degrees offered.

There were however, substantial differences between the two cases. Students residing in the Institute in the St. Vladimir case were of Ukrainian background and were required to take courses in Ukrainian culture, language and religion for a minimum of two hours a week for a minimum period of two years. Moreover the students were grouped by proficiency for the sake of better training. Unlike the *Westminster College* case, there was in the St. Vladimir case the clear purpose of the institute of inculcating "the language, religion, history and culture of their forbears" in the residents. The court held the St. Vladimir Institute to be a seminary of learning, thus entitled to the exemption.

Does Research Constitute a Seminary of Learning?

A very different situation arose in *Re Emmanuel Convalescent Foundation and Township of Whitchurch* 65 D.L.R. (2d) 48 confirmed 64 D.L.R. (2d) 206.

The Emmanuel Convalescent Foundation was a non-profit, church-sponsored centre whose primary purpose was to rehabilitate alcoholics. Lectures were given to the people undergoing treatment and extensive research was conducted to determine causes and further courses of treatment of alcoholism and drug addiction. The Foundation sought the exemption on the grounds that it was a seminary of learning.

In its decision, which the Ontario Court of Appeal subsequently confirmed, the High Court of Justice (Ontario) said:

"A seminary of learning then means a place which is

fundamentally devoted to teaching, and teaching subjects or skills rather than merely to assist in avoiding addiction" (*O.R. 1967 vol. 2 487 at 488*).

The Foundation was held liable for real property taxation.

Seminaries of Learning — In the Great Outdoors

By enlarging the concept of seminaries of learning in the *World-Wide Evangelization* case, the Supreme Court of Canada opened the door for institutions which are not usually considered to be scholastically oriented to claim the exemption under Section 3 paragraphs 5 and 6. Perhaps the most numerous of these kinds of institutions have been summer camps. The summer camp cases thus far have centred around the issue of whether the main purpose of the camp is to inculcate cultural or religious principles into those attending the camp through the means of compulsory attendance at lectures, services and training or to provide recreational facilities with spiritual or cultural values simply incorporated. Three cases will suffice to elaborate the issue.

The first, *Societa Unita v. Corporation of the Town of Gravenhurst* 16 O.R. (2d) 785, 79 D.L.R. (3d) 281, 3 M.P.L.R. 24 confirmed by Divisional Court 6 M.P.L.R., 172 dealt with the question of whether a summer camp, developed for the purposes of immersing children of Italian origin in Italian culture, folklore, language and religion was eligible for exemption from property taxation as an educational or religious seminary of learning. The camp was operated as a non-profit organization. Fees were based on the parents' ability to pay. A substantial block of time each day was devoted to the study of Italian culture and language and the promotion of religion by means of chapel services.

The court ruled that 50 acres of the property was eligible for exemption as an educational seminary under s.3 para. 6. At p. 790 of the lower court's decision, Mr. Justice Lerner stated the following:

> "The words "seminary of learning" in the context of this section have been given wide meaning. Learning is not confined to the acquisition of skills necessary to earn a livelihood. Training in the Italian language, folklore, customs, religious background and history as set out in the camp programme is part of "learning". Such learning is intended to make better citizens through a comprehension of their background, the understanding of which leads to tolerance in the same way as training in religious pursuits was discussed by Mr. Justice Cartwright in the *World-Wide Evangelization* case. Turning again to the programme, the teaching of the Italian language, history, geography, folklore and religion is interspersed with the usual activities associated with a summer camp in order to make this "learning" process attractive to children who participate in this camp atmosphere.

Can a summer camp be exempted on the grounds that the land is used as a seminary of learning for religious purposes? The short answer is "yes" but the issue can be a confusing one. Two cases will serve to illustrate this.

The first, *Baptist Convention of Ontario and Quebec and the Regional Assessment Commissioner, Region #17* (District Judge, April 28, 1975 — unreported), considered the merits of the Baptist Church camp's appeal for exemption.

The camp was owned and operated by the Christian Education Department of The Baptist Convention of Ontario and Quebec. It was non-profit and, in fact, the fees charged to campers did not cover the cost of maintaining the camp. It was not in direct competition with the commercial camps in the area and indeed, the camp program would appeal mainly to those of the Baptist tradition. The primary focus of the programs was to instil the principles and practices of the christian religion as expressed in the Baptist custom. Attendance at the lectures and chapels was compulsory.

The court ruled that the camp was a seminary of learning maintained for religious purposes. As His Honour Judge Thomas stated, ". . . this camp is a distinctly religious motivated operation, and that would appear to be the primary purpose of the Baptist Convention in getting into the camping field". The land was declared exempt from taxation.

In the second case, *Associated Gospel Churches and Regional Assessment Commissioner, Region No. 13 and the Corporation of the Township of Brock*** (H.C.J. February, 1979 — unreported) the Fair Havens Camp, owned and operated by the Associated Gospel Churches was declared liable for taxation.

The property included extensive recreational facilities such as a 9-hole golf course, heated pool, bowling green and facilities for tennis and other sports. Accommodation ranged from tents and trailers to cabins and lodges. Madam Justice Van Camp phrased the issue this way.

> "The question is whether the primary purpose is to preach the gospel of Christianity in a recreational setting, or to provide recreational facilities with spiritual values incorporated."

The camp program consisted of several hours of Bible study and chapel services each week but notwithstanding a high percentage of campers attending the various services attendance was not compulsory. Moreover the camp was really a conference centre and was open to other christian groups on weekends.

After presenting a fairly comprehensive overview of the leading decisions relating to the matter the court decided that the camp was "a vacation camp for christians and those interested in becoming christians with a strong religious focus in its program". It was not a seminary of learning and therefore liable to taxation.

What is a seminary of learning? For one thing the courts have not confined the term to the various divinity colleges of this Province. The word covers these kinds of institutions as well as the seasonal summer camp devoted to the teaching of cultural or religious principles to the campers. But when it comes down to deciding whether or not an institution should be declared a seminary of learning each case must be decided on its own merits.

*All references to *The Assessment Act* are taken from *The Assessment Act* R.S.O. 1970 c. 32 as amended to August, 1979.

**Confirmed by Divisional Court Nov. 26, 1979.

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Softening the Tax Blow for Senior Citizens

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Property Tax Assistance for the Elderly

In recent years inflation has become a fact of life. Concern over the plight of elderly property taxpayers living on relatively fixed incomes has resulted in the introduction of several relief programs by both the province and individual municipalities. Ontario offers a Tax Credit System consisting of three credits — the Property Tax Credit, the Sales Tax Credit, and the Pensioners Tax Credit. Many municipalities have enacted by-laws under both the *Municipal Elderly Residents Assistance Act, 1973* and the *Municipal and School Tax Assistance Act*. The former has the effect of cancelling a portion of taxes payable while the latter is a deferral of taxes payable.

This paper will outline each of these property tax relief programs including details such as amount of compensation and qualifications. A discussion will also be undertaken regarding the program's impact on the two major groups of elderly — the homeowners and the tenants. Of Ontario's 738,925[1] senior citizens, 445,400[2] live in owned units, 200,400[3] live in rental units and approximately 93,125 are either institutionalized or living with relatives.

Municipal Assistance Programs

The Municipal Elderly Resident's Assistance Act, 1973

This provincial Act, passed on December 17, 1973, permits municipalities to pass by-laws granting their senior citizens a uniform credit which forgives taxes payable. No limit on the amount of this assistance appears in the Act. However, most municipalities with such by-laws offer credits of approximately $100 per year for each property. These credits act as an absolute reduction of taxes owing and do *not* place a lien against the recipient's property.

To qualify for assistance the owner must be at least 65 years of age, be receiving the Federal Guaranteed Income Supplement and satisfy a residency requirement. Most municipalities give aid to those individuals who are 65 years of age or over, but some place even more stringent age restrictions. Hamilton, for instance, requires applicants to be 70 years of age or more before qualifying for aid.

Only one residence can qualify in any given year for this assistance. This must be the residence actually occupied by the senior citizen. Municipalities can set their own residence requirements as long as they fall within the range of one to five years residency.

Since enabling legislation is permissive and the credits are locally financed, no provincial authority keeps a complete list of adherents. To realize the scope of this program, 51 municipalities were surveyed. All cities in the Province of Ontario were selected in the survey sample as well as all municipalities with similar by-laws in effect when the provincial act was introduced (Aurora, Hamilton, Peterborough, Preston and Toronto) and a few randomly selected municipalities. Each was asked whether their municipality offered its senior citizens a grant to assist their payment of property taxes. As shown on Appendix 1, 20 municipalities offer a grant. Of these, 13 offer their seniors $100 annually to lessen their tax burden.

Guaranteed Income Supplement (G.I.S.)

To qualify for a grant under the *Municipal Elderly Resident's Assistance Act* the applicant must be in receipt of either full or partial benefits under the federal Guaranteed Income Supplement program. G.I.S. has been in effect since January 1, 1967 and provides for a supplemental payment to Old Age Security cheques for those senior citizens who satisfy a means test. A chart of the benefit limits as of April 1979 is shown on Table 1. It sets out the maximum benefits per year payable to each group of elderly, the amount of private income allowed per year to qualify for this maximum G.I.S. payment (people who receive more than the level of private income would be disqualified from G.I.S.)

Basically this graduated payment is available to those seniors with no, or very little, access to private funds. Payments, which escalate annually with the Consumer Price Index, provide additional income to approximately 46% of Old Age Security recipients.[4]

The Municipal and School Tax Credit Assistance Act

Municipalities and unorganized territories can pass by-laws under this provincial act to allow people 65 years of age and over to defer payment of their property taxes by the lesser of $150 or one-half the amount of their property tax. This deferral or interest-free loan is accomplished by placing a lien against the applicant's property. The applicant must own and occupy the qualifying residence and is *not* required to be a recipient of the federal Guaranteed Income Supplement.

The Ontario Treasury through The Ministry of Intergovernmental Affairs reimburses the municipality for the credit given after a lien notice has been placed on the applicant's property by The Treasurer of the Municipality.

The lien becomes payable when the property transfers to another owner unless the new owner is a spouse, brother or sister of the transferor and who also qualifies for assistance.

A list of the 122 municipalities participating in this program as of May 1979 is contained in Appendix 2.

Residents receiving the Municipal and School Tax Credit and/or the Municipal Elderly Resident's Assistance, receive their credits through a reduction in the last instalments of their tax bills.

Other Relief Programs

Presently 62%[5] of all elderly homeowners in the City of Toronto enjoy tax cuts resulting from that City's Partial Graded Exemption. Since its introduction in January, 1921, this by-law has expanded to encompass 52.8%[6] of all single family dwellings in the City of Toronto owned by people from every age group.

Assessment reductions are permitted for all single family dwellings with *house* assessments not in excess of $4,000. The graded reductions are as follows:

Houses Assessed At No More Than	Percent Reduction
$2,000	50%
$2,500	40%
$3,000	30%
$3,500	20%
$4,000	10%

This reduction applies to all levies and taxes excluding school taxes and special welfare levies. The average tax saving in 1979 as a result of this by-law was approximately $60.00.[7]

The enabling legislation for this by-law originally appeared in *The Assessment Act,* but it was repealed in 1955 with a concession that existing by-laws would be permitted to stand. To-day, The City of Toronto is the only remaining municipality with such a by-law.

Ontario Tax Credits

Ontario's tax credit system has been in effect since 1972. It followed the introduction of national tax reform legislation (Bill C-259) which passed the Canadian Parliament in June 1971. The 1972 Budget outlined the overriding objective of the new property tax credit plan:

> "to achieve a fairer distribution of the burden of property taxes on individuals and families in Ontario. Analysis of the incidence of property taxation in Ontario has confirmed that it is regressive over much of the income scale and extremely so for the lowest income groups."

In 1973, two new credits were added to Ontario's tax credit program — the sales tax credit and the pensioners credit. (Sales tax was increased to 7% from 5% in 1973.) The pensioner tax credit was a replacement for the $50-$100 granted by the Government to low-income senior citizens. The new credit was available to all tax filers 65 years of age and over.

TABLE 1

BENEFITS LIMITS FOR SENIOR CITIZENS

	Single	Married		
		Both Pensioners	One Pensioner	Spousal Allow.
Max. Benefit per Year	$1,678.68	$1,395.84 (each)	$1,678.68	$1,395.84 (each)
Income Allowed for Max. Benefit	$ 23.99	$ 47.99 (combined)	$2,092.67 (combined)	$2,783.99 (combined)
Income Cutoff Point	$3,311.99	$5,519.99 (combined)	$8,630.51 (combined)	$8,207.99 (combined)

Property Tax Credit

Any resident over 16, or over 21 if living with their parents, is eligible to apply for The Ontario Tax Credit for their principal residence. In the case of married couples living together, the credit is claimed by the spouse with the higher taxable income. The amount received is based on a formula using occupancy cost and net taxable income.

Residents of nursing homes, homes for the aged, and other similar institutions can claim for the Property Tax Credit. A resident may claim as occupancy cost any payment made by him over and above the amount paid by The Ontario Health Insurance Plan. If the resident does not receive O.H.I.P. payments, he may claim the amount paid by him, less an allowance for cost of meals and medical attention. Residents of senior citizen housing or public housing can claim the rent they paid or the amount paid on their behalf by social assistance programs when calculating occupancy cost.

Pensioner Tax Credit

Ontario residents who are 65 years of age or over, qualify for the Pensioner Tax Credit of $110. The only exception is a married couple residing in the same principal residence. In this instance only the spouse with the higher taxable income can claim the credit. If only one spouse has reached 65 years of age, that spouse must claim his/her own Pensioner Tax Credit regardless of whether or not the other spouse is the principal taxfiler and has claimed the Property Tax Credit.

Sales Tax Credit

All Ontario taxpayers, who are not declared as

dependents on another taxpayer's income tax form and who are not under 16 years of age, can claim a sales tax credit. This credit amounts to 1% of total personal exemptions. This is the only tax credit which does not apply solely to the principal taxpayer of a married couple.

Impact of Tax Credit Program on Senior Citizens

The tax credit system affords a great portion of its dispersals to the elderly. Elderly claimants of the property tax credit with incomes below $5,000 a year (253,000 in 1977) received an aggregate rebate of approximately 88% of the amount they collectively paid in property taxes. For the elderly earning $5,000-$10,000 annually (134,000 in 1977) approximately 58% of their aggregate property taxes paid were reimbursed by the tax credit program. These figures take into account the *total* amounts received by these income groups in property tax and pensioner credits.[8] Table 2 illustrates a slightly different picture for the *average* credit received per claimant. The average claimant in the less than $5,000 income range receives 94% of his property tax in a rebate.

Table 2

Estimated Property Tax Burden of Pensioners by Income — 1978[1]

Gross Income[(a)] ($000)	Number Claiming Property Tax Credit (000)	Average Property Tax ($)	Average Credit ($)
0-5	253	372	350
5-10	134	618	362
10-12	29	622	289
12-15	24	586	239
15-20	28	783	201
20-25	16	881	108
25+	23	1,100	—
TOTAL	509[(b)]		

Source: Ontario Treasury Estimates

[1]Hon. W. Darcy McKeough, *Ontario Budget 1978,* Budget Paper B, Tables 9 and 11.

NOTES

(a) Income Reported for Tax Purposes.

(b) Total Rounded. Of the 625,000 senior citizens claiming tax credits, 117,000 did not claim the property tax credit because they reside with family, reside in completely subsidized institutions, or are spouses of principal taxpayers.

The Ontario Budget, 1978, Paper B, "Relieving the Burden of Property Taxes on Senior Citizens", estimates that approximately 24% of senior citizens receiving tax credits in 1977 received more in property tax and pensioners' credits than they paid in property taxes.

Example 1

In 1978 a single pensioner received $2,045 in Old Age Security Payments, $1,678 in Federal Guaranteed Income Supplement and $467 from Ontario Guaranteed Annual Income Supplement. Since the Federal Guaranteed Income Supplement is non-taxable, his gross income amounted to $2,512. After claiming his age exemption of $1,520 and his basic personal exemption of $2,430 he was left with no taxable income. He paid $75 a month rent for his senior citizen's apartment.

PROPERTY TAX CREDIT			
Total Rental Payments in 1978	*$900*		
20% of "Total Rental Payments"	*$180*		
Occupancy Cost	*$180*		
Enter $180 or 'Occupancy Cost', whichever is less		*$180*	
Add: 10% of 'Occupancy Cost'		*18*	
Total Property Tax Credit		*$198*	*$198.00*
SALES TAX CREDIT — 1% of 'Total Personal Exemptions'			*24.30*
PENSIONER TAX CREDIT — Claim $110 if you were 65+ in 1978			*110.00*
			$332.30
SUBTRACT: 2% of 'Taxable Income' — Enter nil if taxable income is $2,310 or less			*nil*
ONTARIO PROPERTY, SALES AND PENSIONER TAX CREDITS			*$332.30*

Property taxes amounted to approximately $180 of this pensioner's rent yet he received $332.30 back in credits.

Example 2:

A married pensioner couple paid $450 in 1978 property taxes. They received a $100 grant under the *Municipal Elderly Resident's Assistance Act*. Both received O.A.S. payments of $2,044.68 a year, G.I.S. payments of $783.34 a year and Guaranteed Annual Income Supplements (GAINS) of $40 a year. The husband received an additional $2,445 per year in C.P.P. Payments. Since G.I.S. payments are non-taxable their gross incomes are as follows: husband — $4,519.68, wife — $2,074.68. They both have the age deduction of $1,520 and the basic personal exemption of $2,430. The husband can also claim the $1,000 pension deduction. Neither will have a taxable income.

The husband, who would be considered the principal taxpayer, would file his tax credit schedule as follows:

PROPERTY TAX CREDIT			
Property Taxes paid in 1978	*$350[9]*		
Occupancy Cost	*$350*		
Enter $180 or 'Occupancy Cost', Whichever is less		*$180*	
Add: 10% of 'Occupancy Cost'		*35*	
Total Property Tax Credit		*$215*	*$215.00*
SALES TAX CREDIT — 1% of 'Total Personal Exemptions'			*24.30*
PENSIONER TAX CREDIT — Claim $110 if you were 65+ in 1978			*110.00*
			$349.30
SUBTRACT: 2% of 'Taxable Income' Enter nil if tax income is $2,310 or less			*nil*
ONTARIO PROPERTY, SALES AND PENSIONER TAX CREDITS			*$349.30*

He received back $349.30 in tax credits plus an additional $24.30 in sales tax credit from his wife's

return for a total of $373.60 received in credits as compared to the $350 they paid in property taxes.

The Elderly Tenant

Provincial Tax Credits which are available to elderly tenants as well as elderly homeowners provide the only direct rebate of property taxes to the elderly tenant. However, there are many programs to lower the rental payments faced by low-income elderly tenants. Since property taxes are paid as part of a tenant's rent these programs indirectly reduce property taxes for the tenant.

Rental assistance programs, which fall under the domain of the *National Housing Act*, can be segmented into two parts — those programs that directly assist the renter to pay for his accommodation and those that encourage landlords to provide moderate to low-cost accommodation.

Public housing units are available for the low-income elderly. A recent shift in emphasis away from public housing, has increased reliance on rental supplements. Rental supplements bridge the gap between market rents and the rents tenants can afford to pay for privately owned dwellings. The cost of these subsidies are shared equally by the province and the federal government.

Senior citizen housing is one of the beneficiaries of the federal government's assistance to non-profit and co-operative groups who provide moderate to low rental accommodation using private funding. Under N.H.A. these groups qualify for mortgage loans at below-market interest rates, as well as start-up funds to defray costs in the development of loan applications and indirect support through the funding of community resource organizations that provide professional, technical and administrative services.

The Assisted Rental Program provides loans at below-market interest rates to landlords who construct, purchase or improve low-rental housing. These loans of up to 95% of the cost of the project are secured by a first mortgage. C.M.H.C. sets reasonable rents given the probable family incomes of the lessees.

Another program to encourage an increase in the supply of low priced accommodation is the Rental Guarantee Fund. Under this program builders of new rental accommodation are guaranteed an annual return from rentals by C.M.H.C. In return, C.M.H.C. sets the rental rate for the first 3 years after completion and receives annual rental rebates from the builder incrementing from 1 3/4 percent to 2 1/4 percent over time, up to the maximum term of 30 years.

All Ontario renters, including the elderly, have benefited from Ontario's Rent Review legislation. This legislation has kept escalating rents in check.

Assistance programs for the elderly tenant are an integral part of all social assistance programs for low-income people. Therefore it is difficult to ascertain the number of elderly benefiting from these C.M.H.C. programs. In addition to C.M.H.C.'s programs, Ontario Housing has constructed 36,182 senior citizen units and the Metropolitan Toronto Housing Corporation has constructed 11,761 senior citizen units. The municipalities which form Metropolitan Toronto are the only Ontario municipalities with their own housing corporation. Other Ontario municipalities provide senior citizen housing through joint funding with the federal and provincial governments.

Comments

Property taxes and the elderly is a very emotionally charged subject. Property assessment is based on "ability-to-pay" as measured by an individual's or family's largest asset — their home. It is more a tax on accumulated wealth than on income. However, many retired people own homes related in value to lifetime earnings rather than their diminished retirement incomes. As previously outlined, both the Province and the municipalities have programs to alleviate the burden of property taxes for the elderly. The basic difference between these programs is that the provincial Property Tax Credit benefits all elderly taxpayers as well as all other taxpayers, while the municipal programs only benefit elderly homeowners.

Most people realize that, although the elderly homeowner does have assets accumulated in his home, he faces a liquidity problem. No one wants the financial burden of property taxes to force that homeowner to sell his home. This was the basic concern which led to the introduction of the municipally-run programs outlined in this paper. It would be accurate to state that these programs do help lessen the cost of property taxes to the elderly homeowner. However, we must examine the participation in these programs.

Elderly residents are reluctant to apply for the assistance offered by the Municipal and School Tax Credit. Only 6,133[10] of the Province's 284,280[11] elderly household heads participated in this program in 1978. To emphasize the unpopularity of this program, the City of Toronto in 1978 had 5,704 seniors receiving benefits under the *Municipal Elderly Resident's Asistance Act* which gave them tax relief of $100 while it had only 800 seniors receiving benefits under the *Municipal and School Tax Assistance Act* which offered maximum benefits of $150.

This reluctance probably stems from a misunderstanding of the effects of a lien. Most elderly seem to want to pass an unencumbered estate onto their heirs. However, the value of the lien is an almost negligible debt. For instance, if an elderly homeowner found it necessary to place a $150 lien against his property for 10 years his total debt would amount to $1500. However, even if house prices were to escalate by only 1% per year, the property value would increase by $4,700 on a house presently worth $45,000. The pensioner would still be ahead $3,200.

Since the Province reimburses municipalities under the Municipal and School Tax Credit System, this program is less costly to the municipal taxpayer than the *Elderly Resident's Assistance Act*. The sole cost to the municipality is the amount of unearned interest on the lien. The elderly homeowner doesn't suffer from this program. He receives immediate relief from his property taxes in return for a lien on his property. This lien probably will not be repaid during the resident's lifetime and as pointed out above, the value of the lien is almost a negligible debt. Upon the sale of the property the municipality is reimbursed for the back taxes.

The elderly need to be better informed on the meaning and effect of liens if they are to utilize this program to the fullest. They need to feel confident that the lien represents such a small proportion of the property value that their legacy is not in jeopardy. Many seniors who could use this program's financial aid are not doing so simply because they misunderstand it.

APPENDIX 1

THE MUNICIPAL ELDERLY RESIDENT'S ASSISTANCE ACT, 1973 SURVEY OF MUNICIPAL PARTICIPATION

Name of Municipality	Offer Program	Amount
Town of Aurora	yes	$100
City of Barrie	yes	$100
City of Belleville	no	
City of Brampton	yes	equal to annual school levy
City of Brantford	no	
City of Brockville	no	
City of Burlington	yes	$100
City of Cambridge	yes	$ 50
City of Chatham	no	
City of Cornwall	no	
Borough of East York	no	
Borough of Etobicoke	no	
Town of Goderich	no	
City of Guelph	no	
City of Hamilton	yes	$ 75
City of Kitchener	yes	$ 50
City of Kingston	no	
Town of Lindsay	no	
City of London	no	
City of Mississauga	yes	$100
City of Nanticoke	no	
City of Niagara Falls	yes	$100
Town of New market	yes	$100
City of North Bay	no	
City of North York	no	
City of Orillia	yes	$100
City of Oshawa	yes	$100
City of Ottawa	yes	$100
City of Owen Sound	no	
City of Pembroke	no	
City of Peterborough	yes	$100
City of Port Colbourne	no	
City of St. Catharines	yes	$ 65
City of Sarnia	no	
City of Sault Ste Marie	yes	$ 25
City of Sarnia	no	
Borough of Scarborough	no	
Town of Stoney Creek	yes	$ 75
City of Stratford	under consideration	
City of Sudbury	yes	$100
City of Thorold	no	
City of Thunder Bay	no	
City of Timmins	no	
City of Toronto	yes	$100
City of Vanier	no	
City of Waterloo	no	
City of Welland	no	
Town of Whitby	yes	$100
City of Windsor	no	
City of Woodstock	no	
Borough of York	no	

APPENDIX 2

MUNICIPAL AND SCHOOL TAX CREDIT PROGRAM
Participating Municipalities

EASTERN ONTARIO AREA

Prescott-Russell-Stormont-Dundas-Glengarry
none

Lanark-Leeds-Grenville
Athens, Village
Brockville, City
Merrickville, Village
Rear of Leeds and Lansdowne, Twp.

Ottawa-Carleton
Goulbourn, Twp.
March, Twp.
Nepean, Twp.
Ottawa, City

Renfrew
none

Frontenanc-Lennox-Addington
Barrie, Twp.

Northumberland-Hastings-Prince Edward
Faraday, Twp.
Frankford, Village
Hamilton, Twp.
Picton, Town
Trenton, Sep. Town

Haliburton-Peterborough-Victoria
Anson, Hindon & Minden, Twp.
Bicroft, Imp. District
Harvey, Twp.
Lindsay, Town
Peterborough, City
Smith, Twp.

CENTRAL ONTARIO AREA

City of Toronto
Toronto, City

North York
North York, City

Scarborough-East York
East York, Borough
Scarborough, Borough

Etobicoke-York
Etobicoke, Borough
York, Borough

Durham
Ajax, Town
Newcastle, Town
Oshawa, City
Pickering, Town
Uxbridge, Twp.
Whitby, Town

York
Aurora, Town
East Gwillimbury, Twp.
Georgina, Twp.
King, Twp.
Markham, Town
Richmond Hill, Town
Vaughan, Town
Whitchurch-Stouffville, Town

Halton-Peel
Brampton, City
Burlington, City
Halton Hills, Town
Milton, Town
Mississauga, City
Oakville, Town

Simcoe
Innisfil, Twp.
Matchedash, Twp.
Midland, Town
Orillia, City
Wasaga Beach, Town

Muskoka
Gravenhurst, Town
Huntsville, Town
Muskoka Lakes, Twp.

WESTERN ONTARIO AREA

Niagara
Fort Erie, Town
Lincoln, Town
Niagara Falls, City
Niagara-on-the-Lake, Town
Pelham, Town
St. Catharines, City
Thorold, City

Wentworth
Ancaster, Town
Dundas, Town
Flamborough, Twp.
Hamilton, City
Stoney Creek, Town
Brant-Haldimand-Norfolk
Brantford, City
Delhi, Twp.

Waterloo
Cambridge, City
Kitchener, City
Welland, City

Dufferin-Wellington
Erin, Village
Fergus, Town
Guelph, City
Maryborough, Twp.

Elgin-Middlesex-Oxford
Aylmer, Town
Bayham, Twp.
London, City
St. Thomas, City
Strathroy, Town
Tillsonburg, Town
Westminster, Twp.
Woodstock, City

Huron-Perth
Bayfield, Village
Goderich, Twp.
St. Marys, Sep. Town

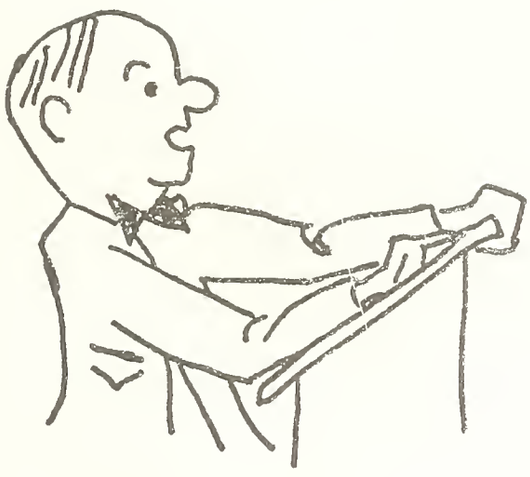
Source: Ministry of Intergovernmental Affairs, Subsidies Branch

FOOTNOTES

[1]Table 11, 1976 Census Catalogue 92-823, Statistics Canada, Ottawa.
[2]Table 13, 1976 Census Catalogue 92-804, Statistics Canada, Ottawa.
[3]Ibid.
[4]Canada, Health and Welfare, Income Security Programs, O.A.S. Program, Statistics, November 1977.
[5]Source *"Examination of the Partial Graded Exempt Properties in the City of Toronto*, Assessment Standards Branch, unpublished study.
[6]Ibid.
[7]Ibid.
[8]Hon. W. Darcy McKeough, Treasurer, *Ontario Budget 1978,* Budget Paper B.
[9]Municipal Tax Credits received by elderly citizens cannot be taken into account when computing occupancy costs for Property Tax Credits. *The Municipal Elderly Residence Assistance Act, 1973,* cancels the tax payable. Property taxes deferred under the *Municipal and School Tax Credit Assistance Act* can only be included in the occupancy cost in the year that the deferred taxes are repaid.
[10]Source: Subsidies Branch, Ontario Ministry of Intergovernmental Affairs.
[11]Table 13, 1976 Census Catalogue 92-810, Statistics Canada, Ottawa.

□

Making the Most of Your Speaking Engagement



Gywn Williams
Matrix Communications

Your neighbourhood ratepayers' group wants to hear the hows and whys of single-family dwelling assessment from an expert — and because you've worked hard and know your field, you have been asked to speak to these people.

Congratulations. This is a real measure of your success as an assessor. Don't pause too long to pat yourself on the back, however. Effective public speaking means much more than simple stage presence or the ability to leave 'em laughing. . .or crying, whatever the occasion demands. These oratorical skills belong to the very few. For most of us, giving a good speech involves considerable homework and preparation.

Where do you begin? There are four initial — and vital — steps you must take if your speech is to be a success.

Identify the audience. Your speech's content will at least partially depend on the makeup of the audience. Will they consist of businesspeople, farmers, homeowners, the elderly, young people, municipal representatives or apartment tenants? What you say should be tailored to accomodate their expectations and attitudes about assessment.

For instance, senior citizens living in single-family homes have substantially different concerns, than say, young people living in apartments or small business owners. That's why you must know the make-up of your audience to prepare a speech.

Identify the Audience Interest. Ask yourself what the audience wants to hear from you about assessment and related taxation matters. You can find this out by writing a letter or telephoning the group's Program Chairman or co-ordinator. Always ask what specifics you are expected to deal with. Anticipate their questions and concerns.

Identify the Circumstances of Your Address. At the same time, find out everything you can about the conditions under which you will be speaking. Are you on a panel? If so, who are the other panelists, and what will they be talking about? Will you be in an adversary or complementary situation? Make sure the people arranging a panel session fully understand that you are a public servant, and therefore, cannot be involved in a political debate — or a debate that is likely to become political.

Also ask if you are speaking at mid-morning or mid-afternoon. If you are, you usually will be able to deal with your subject in more depth.

Are you a lunchtime or after dinner speaker? These platforms normally lend themselves to a lighter approach with a clear, simple and succinct message.

Identify Your Key Points. Now that you know who your audience is, what they want to hear, and the circumstances of your address, you're in a position to identify the key points in your speech.

Ask yourself: "What will the audience remember after I have completed my speech?" If you overwhelm them with statistics and details, they will leave confused, disappointed and remember nothing useful. Therefore, write down in a one-sentence paragraph *the two, three or four key points* you want to engrave in the audience's mind. Begin by saying, "I would like to discuss with you today . . ."; and then complete the sentence. This, in a nutshell, will summarize what you are attempting to achieve.

Now that you are ready to sit down and put words on paper, here are a few points to keep your remarks on target:

Keep it short. A speech should never be more than 20 minutes in length. After this time, your audience will not be able to retain much information.

Keep it to the point. Remember the topics you identified before you began writing this speech. Stick to them, and make sure they logically follow each other. A good speech is like a good argument concise,

sequential and persuasive.

Make your address sound like you. Don't use a $64,000 word when a $64 word says the same thing. Feel comfortable with what you are saying. And keep your sentences short and snappy.

Use appropriate examples. Tie in your topic to the audience or the locality where you will be speaking. If, for example, you are explaining mill rates or municipal revenue sources, adapt the information to the actual situation in the community you are visiting.

If your subject is business assessment and taxation, use local examples which the audience understands and appreciates. Statistics should be used sparingly, and always rounded off when referred to.

Summarize your argument. As you go through the speech, summarize and repeat key points. This adds strength to your message, but remember to use different examples and language to convey these points. At the end of your address, conclude with a summary of the major statements you have made.

Personalize your introduction. Establish your relationship with the audience or people in that audience or community right from the beginning. Keep it brief and relevant, thanking the group for the invitation and referring to any link between the audience and your office.

Only use humour where it fits. Humour can be a powerful way to get a serious message across — but it must be appropriate and natural. Always write the anecdote into the text so that you tell the story correctly and don't miss the punch line.

At this point, you should be armed with a well constructed, effective speech. Now comes the actual delivery, where you must communicate your ideas in front of an audience.

Here are a few ways to make your speaking engagement a successful event:

Learn to relax. Most speakers, even the experienced, are nervous just prior to giving a speech. Invariably, the nervousness dissipates once the speech has begun. And it can be overcome by taking a few slow deep breaths just before you stand to speak, or by tensing and relaxing your arm, shoulder and chest muscles.

When you reach the podium, pause for a few moments. Look around the audience. Check that your papers are in order. Adopt a comfortable stance. If you must keep your hands busy, button your coat. Or put your hands in your pocket and squeeze a rolled handkerchief. Relax. Read the first couple of lines of your speech to yourself. Then look up and deliver them to the back of the room.

Use posture to your advantage. Keep your head high. At the beginning, focus on the faces in the back rows. This will help you to project. As the speech proceeds, make a deliberate effort to look towards different parts of the audience so that you do not visually ignore anyone. Keep your feet apart to give you a firm balance for moving your upper body.

If you stand back from your text, (perhaps with your arms stretched to full length as you hold the podium), you will be able to glance down at your text while keeping your head erect. Don't stand too closely to your text, as you will be forced to duck your head to read.

Use gestures for effect. Do not be afraid to talk with your hands, for example, extend your arms, with your palms up, when posing a rhetorical question. When making key points, count them off on your fingers. Or, when stressing a point, consider a chopping movement with your hand — just as you would likely do in a normal conversation. Body-language is important to the dynamics of public speaking — so don't forget to smile occasionally!

Make yourself heard. Unless you have a naturally booming voice, speak much louder than you think is necessary. There is no point in giving a speech if all of the audience cannot hear you. Most inexperienced speakers talk too softly. Talk to the back of the room. Loudly.

Take time to make your points. Pace your delivery. The temptation at first is to talk fast and get it over with. If you speak at a measured pace, you will be more relaxed and will have plenty of opportunities to glance up from your text, look around the audience, and find your place again. A measured delivery also enables you to emphasize key words and phrases (which should be underlined in your text). Pause when your theme changes direction, or you want to underscore silently a point you have just made.

Pros and cons of notes and a prepared text. Which of these should you use? To some extent, the answer lies in your own confidence and your familiarity with the subject of the speech. Well-prepared notes — that is, subject headings with key points itemized under each heading — enable you to deliver more conversationally and in a relaxed style. The dangers are: you may ramble and not be concise; you may become overly repetitive as you search for the right words and right expressions; and you run a greater risk of being misunderstood or misquoted.

A complete text, however, can sound more stilted in delivery. It takes practice to deliver a prepared text as if you are not reading it. On the other hand, a complete text ensures that you do say what you want without forgetting key points or words. This is particularly important in articulating formal policies and technical subjects in layman's terms. A prepared text also protects you against rambling and being misquoted.

Press Relations. Always check in advance whether press will be attending the meeting and have sufficient copies of your text available for press use. Remember: Anything you say is on the public record as an expression of government policy and practice.

Frequently, your address may not be covered as local media face tight staffing problems. Therefore, as a matter of course, you should always make copies of your text available to weekly and daily newspapers as well as radio and television stations in the community where you are speaking.

Practice your speech several times. Many great orators begin in front of a mirror. Go over and over the speech — out loud — until you feel comfortable with it. Take out words you aren't sure you will pronounce properly and find similar ones. Don't waste time memorizing the speech, other than the opening sentences, but be familiar with its content and language.

Avoid asides. A spur-of-the-moment afterthought can send you rambling off on a tangent that destroys the logical order of what you were saying, wastes time and can create difficulties in getting back to the substance of your remarks.

Now you know how to prepare a speech, and you also have a good idea on how to deliver it effectively. The one remaining task is choosing a good audience.

You begin in your own community and circle of contacts. For instance, there are business, consumer, ratepayer, farming and municipal groups, as well as service clubs. Most of these groups have a Program Chairman. Speak to that person and offer your services.

What kinds of people or groups should you be reaching? This following list suggests some organizations you should try.

Tenants' and Ratepayers' Associations
B'Nai Brith
Consumers' Association of Canada
Family Service Associations
The Royal Canadian Legion
YM-YMCA
Appraisal Institute
Boards of Trade or Chambers of Commerce
Jaycees
Kinsmen Club
Kiwanis Club
Knights of Columbus
Lions Club
Rotary Club
Municipal Associations
Masons
National Secretaries Association
Association for Continuing Education
Professional Associations (teachers, accountants, lawyers, doctors, dentists, architects, etc)
Local Church Groups
Farming Associations
General Contractors' Associations
Hotel & Motel Associations
Mortgage Brokers Association
Real Estate Institute or Real Estate Board
Society of Industrial Accountants
Home Builders' Association
Urban Development Institute
Local Retail Associations
Senior Citizens Groups

What's New . . .

in Case Law

The following is an index by section of *The Assessment Act* of the most recent cases distributed to all Regional Offices for the period from April, 1979-October 2, 1979.

Full case texts have been sent to all Commissioners and this list is for reference only.

Section 1(k)(iv)
Keywords: Real Property, Definition of — Hoop Houses
John *Connon* Nurseries Limited and the Regional Assessment Commissioner, Region #19 and the Township of Flamborough (A.R.C. Jan/79).

Section 3(5)
Keywords: Exemption — Seminary of Learning
Intervarsity Christian Fellowship of Canada and the Assessment Commissioner for the Region of Muskoka (H.C.J. Mar. 2/79) 23 O.R. (2d) 589.

Section 7(1)(d)
Keyword: Business Assessment — Manufacturer
Bruce *Decker* Industries Limited and the Regional Assessment Commissioner, Region #23 (C.Ct. March 15/79).

Section 7(1)(f)(i)
Keywords: Business Assessment — Liability — Contractor
Grand Valley Construction Association and the City of Cambridge (H.C.J. Feb/79).

Section 7(10)
Keywords: Business Assessment — Rooming House
Borough of North York et al and *Extendicare* Limited (Div. Ct. Jan 22/79) 22 O.R. (2d) 333.

Section 12
Keyword: Easement
Lorne Park Estates Association and the Regional Assessment Commissioner, Region #15 and the Corporation of the City of Mississauga (H.C.J. Mar/79) 23 O.R. (2d) 628.

Section 17(3)
Keywords: Apportionment — Multiple Occupancy — Fair market Rent
International Appraisal Company (Canada) and C.E. Winter, Regional Assessment Commissioner, Region #23 (C.J. Feb/79).

Section 17(3)
Keyword: Apportionment
Regional Shopping Centres Limited (Upper Canada Mall) et al and Assessment Commissioner, Town of Newmarket (C.J. Mar/79).

Section 27(1)&(2)
Keywords: Market Value, Interpretation of — Residential Land
Ronald *Bluestein* and Victor Prousky and the Regional Assessment Commissioner, Region #6 and the Corporation of the Township of Percy (O.M.B. Feb/79) M7860.

Section 27(1) & (2)
Keywords: Commercial Valuation — Mixed use — Assessment to Sales Ratios
The *Continental* Insurance Company and the National Life Assurance Company and the Regional Assessment Commissioner, Region #9 and the Corporation of the City of Toronto (Div. Ct. May/79).

Section 27(1) & (2)
Keywords: Cost Approach — Obsolescence/Depreciation, Locational factor
Alexander and Bernice *Fortney* and

the Regional Assessment Commissioner, Region #25 and the Township of Bentinck (O.M.B. March 8/79) M77289.

Section 27(1) & (2)
Keywords: Residential Valuation — Cost Approach-Obsolescence
Alexander and Bernice *Fortney* and the Regional Assessment Commissioner, Region #25 and the Township of Bentinck (O.M.B. Mar. 8/79) M77289.

Section 27(1) & (2)
Keywords: Income Approach — Multi-Res.
Glenimpex Limited and the Regional Assessment Commissioner, Region #10 and the Corporation of the Borough of North York (O.M.B. April 11/79).

Section 27(1) & (2)
Keywords: Industrial Valuation
The Regional Assessment Commissioner, Region #14 and *Monsanto* Canada Limited and the Corporation of the Town of Vaughan (Div. Ct. May/79).

Section 27(3)
Keywords: Farm Valuation — Use, Tree Farming
Clara *Lloyd* and Bruce Lloyd and the Regional Assessment Commissioner, Region #25, and the Corporation of the Township of Osprey (Div. Ct. May/79).

Section 63
Keywords: Appeal Procedure — Jurisdiction
Commonwealth Holiday Inns of Canada Limited v Assessment Commissioner, Region 3 et al (O.M.B. May 2/78) 8 O.M.B.R. 478

Section 63(8)
Keywords: Appeal Procedure — Question of Law
The *Continental* Insurance Company and the National Life Assurance Company and the Regional Assessment Commissioner, Region #9 and the Corporation of the City of Toronto (Div. Ct. May/79).

Section 63(8)
Keywords: Appeal Procedure — Question of Law
Clara *Lloyd* and Bruce Lloyd and the Regional Assessment Commissioner, Region #25 and the Corporation of the Township of Osprey (Div. Ct. May/79).

Section 63(8)
Keywords: Appeal Procedure, Question of Law
The Regional Assessment Commissioner, Region #14, and *Monsanto* Canada Limited and the Corporation of the Town of Vaughan (Div. Ct. May/79).

Section 64(2)
Keywords: Similar/Vicinity — Vicinity, Definition of
Alexander and Bernice *Fortney* and the Regional Assessment Commissioner, Region #25 and the Township of Bentinck (O.M.B. Mar. 8/79) M77289

Section 65(1)
Keywords: Appeal Procedure — Question of Law
Re Township of MacDonald, Meredith and Aberdeen Additional and Camp *Wakonda* of the Kiwanis Club of Lakeshore (D.J. Oct. 1/79).

Section 78
Keywords: Information Disclosure
Commonwealth Holiday Inns of Canada Limited v Assessment Commissioner, Region #3 et al (O.M.B. May 2/78) 8 O.M.B.R. 478

Section 86(1)
Keywords: Residential Valuation — Vacant Land
Ronald *Bluestein* and Victor Prousky and the Regional Assessment Commissioner, Region #6 and the Corporation of the Township of Percy (O.M.B. Feb/79) M7860.

Section 90(1)
Keywords: Industrial Property
Re *Babcock* and Wilcox Limited and Regional Assessment Commissioner, Region #21 et al (C.J. June 22/79).

Section 90(1)
Keywords: Similar/Vicinity — Residential Property
Ronald *Bluestein* and Victor Prousky and the Regional Assessment Commissioner, Region #6 and the Corporation of the Township of Percy (O.M.B. Feb/79) M7860.

Section 90(1)
Keywords: Similar/Vicinity — Multi-Res. Property
Regional Assessment Commissioner, Region #21 and *Crown* Life Insurance Company and the City of Kitchener (O.M.B. July/79).

Section 90(1)
Keywords: Similar/Vicinity — Vicinity, Definition of
Alexander and Bernice *Fortney* and the Regional Assessment Commissioner, Region #25 and the Township of Bentinck (O.M.B. Mar. 8/79) M77289

Section 90(1)
Keywords: Similar/Vicinity — Residential Property
Regional Assessment Commissioner, Region #12 and Florence *Gallo* and the Borough of Etobicoke (O.M.B. July 9/79).

Section 90(1)
Keywords: Similar/Vicinity — Industrial Property
The Regional Assessment Commissioner, Region #14, and *Monsanto* Canada Limited and the Corporation of the Town of Vaughan (Div. Ct. May/79).

Section 90(1)
Keywords: Similar/Vicinity — Multi-Res. Property
Pamlimar Investments Enterprises Limited and Regional Assessment Commissioner, Region #23 and the City of London (O.M.B. Aug. 15/79) M7910-12

Section 90(1)
Keywords: Similar/Vicinity — Multi-Res. Property — Apartment
The *Royal* Trust Company, Trustee and the Regional Assessment Commissioner, Region #21 and the Corporation of the City of Waterloo (O.M.B. June 6/79).

Section 90(1)
Keywords: Similar/Vicinity — Residential Property
Anne Heather C. *Sullivan* and the Regional Assessment Commissioner, Region #15 and the Corporation of the Town of Oakville (O.M.B. Sept. 13/79).

Section 90(1)
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